

**CALIFORNIA DEPARTMENT OF INSURANCE**

**STATISTICAL ANALYSIS DIVISION**



**STATISTICAL PLAN**

**FOR**

**PRIVATE PASSENGER MOTOR VEHICLE**

**PHYSICAL DAMAGE**

**FOR**

**REPORTING YEAR 2008**

## PRIVATE PASSENGER MOTOR VEHICLE STATISTICAL PLAN

### I. SCOPE OF THE PLAN:

This plan is applicable to all Private Passenger Motor Vehicle Physical Damage direct written business only. Business written on a non-admitted basis (surplus lines) is not to report to the Department nor should the assumed and ceded reinsurance.

Section 11628(a) of the California Insurance Code requires each insurer licensed to issue or issuing Private Passenger Motor Vehicle Physical Damage policies to annually report to the Insurance Commissioner for examination, its record of loss experience by ZIP code for family-owned private passenger motor vehicles and lightweight commercial motor vehicles under 1.5 ton load capacity used for local service or retail delivery. An insurer may satisfy its obligation to report statistical data by providing its loss experience data to a rating or advisory organization for submission to the Commissioner.

This plan contains the necessary instructions and specifications for reporting the required experience of the following coverage, rating programs, and deductibles:

**Note:**

The coverage should only include pure private passenger automobile experience. For other types of coverage (rental reimbursements, towing & labor, etc.), refer to **EXCLUSIONS ON DATA REPORTING** on page G-2.

**Collision Deductible Waiver** is to be reported separately and is no longer reported in the auto liability loss experience report. **Collision deductible waiver is defined as uninsured motorist coverage on property damage in the event an uninsured motorist is at fault and the insured's collision coverage covers the cost of repair to the insured vehicle.**

PRIVATE PASSENGER MOTOR VEHICLE STATISTICAL PLAN

SCOPE OF THE PLAN (continued...)

• Coverage:

1. Collision
2. Comprehensive
3. Collision Deductible Waiver

• Rating Programs:

1. STANDARD (Preferred/Standard)
2. NONSTANDARD (Sub-Standard)
3. Motorcycle

• Deductibles:

	<u>Coverage</u>	<u>Deductible Range</u>
1.	Collision	\$0– \$ 100
2.	Collision	101 – 200
3.	Collision	201 – 300
4.	Collision	301 – 500
5.	Collision	501 – 1000
6.	Collision	1001 & up
7.	Collision	Percentage or Disappearing
8.	Comprehensive	0
9.	Comprehensive	1 – 50
10.	Comprehensive	51 – 100
11.	Comprehensive	101 – 200
12.	Comprehensive	201 – 300
13.	Comprehensive	301 – 500 *
14.	Comprehensive	501 – 1000 *
15.	Comprehensive	1001 & up *
16.	Comprehensive	Percentage or Disappearing

\* Updated deductible range beginning with SAP 2008.

PRIVATE PASSENGER MOTOR VEHICLE STATISTICAL PLAN

SCOPE OF THE PLAN (continued...)

17.	Deductible Waiver	\$0 – \$ 100
18.	Deductible Waiver	101 – 200
19.	Deductible Waiver	201 – 300
20.	Deductible Waiver	301 – 500
21.	Deductible Waiver	501 – 1000
22.	Deductible Waiver	1001 & up
23.	Deductible Waiver	Percentage or Disappearing

II. SECTIONS OF THE PLAN:

This plan is divided into three sections:

1. [General Rules](#)
2. [Transmittal Forms Reporting](#)
3. [Data Reporting Format](#)

## **I. GENERAL RULES SECTION**

## I. GENERAL RULES

### A. EXPERIENCE PERIOD:

Insurers shall report, annually, the experience of the **two years** immediately preceding the reporting year. Insurers who file a consolidated annual statement as a group of companies, may submit consolidated experience. Premiums and exposures are to be reported on a calendar year basis while losses are to be reported on an accident year basis. All accident year losses must be evaluated as of **March 31, 2008.**

**Note: Reporting Less Than One Million Dollars**

Insurers writing **less than one million dollars** annually for the 2006 and 2007 experience years, **DO NOT** need to report data on output medium. However, they must provide the summary data on the transmittal forms.

### B. REPORTING DUE DATES:

1. All required data must be submitted to the Department of Insurance annually. The SAP 2008 due date is **September 1, 2008.**
2. See Item G (Penalties and Charges) regarding late submissions.

### C. METHOD OF REPORTING:

#### 1. Transmittal Forms

Summary figures are to be reported on the transmittal forms as indicated on the transmittal form reporting section. The transmittal forms workbook can be submitted in two ways:

- via mail on a 3 ½" IBM compatible diskette
- via E-mail

A **hardcopy of the transmittal forms** must also be submitted to the Department.

If you are unable to process an Excel file, please contact this office for further instructions.

## I. GENERAL RULES (continued...)

### 2. Data By ZIP Code

All data must be submitted on an output medium (diskette, electronic data file (e-mail), or CD) as specified in the Data Reporting Format Section. The data submitted must match the summary figures as reported on the transmittal forms – that is, Collision, Comprehensive, and Collision Deductible Waiver experience, reported on output medium should match those reported on the transmittal forms.

REPORTING COLLISION DEDUCTIBLE WAIVER and UNINSURED MOTORIST –  
PROPERTY DAMAGE EXPERIENCE

Collision Deductible Waiver experience should be reported only on the PHYSICAL DAMAGE submission.

Note that Uninsured Motorist – Property Damage (UMPD) coverage is limited to \$3,500 and covers the cost of repairing the insured vehicle in the event an uninsured motorist is at fault and the insured DOES NOT have collision coverage. If the insured has collision coverage and also has some type of uninsured motorist protection to cover damages to the insured vehicle, then uninsured motorist – property damage coverage experience is to be reported under Collision Deductible Waiver in the Physical Damage submission.

## I. GENERAL RULES (continued...)

### D. EXCLUSIONS OF DATA REPORTING:

The following data should be **excluded from the output medium** but *included in transmittal* forms **FORM I** and/or **FORM J** under the appropriate columns:

1. VSI (Vendor Single Interest) (Column 1)
2. Motorhome (Column 2)
3. Antique Auto (Column 3)
4. Mobilehome (Column 4)
5. Trailer (Column 5) - Utility trailer, tent trailer, camper trailer.
6. Recreational Auto (Column 6) - All terrain vehicles, amphibious vehicles, dune buggies, golf carts, snowmobiles, etc.
7. Rental Reimbursement (Column 7)

### E. EDITING PROCEDURE:

1. Companies should establish their own editing programs and procedures to detect errors and validate codes and statistical data reported.
2. Totals on output medium must balance with totals on transmittal forms and data submitted must reconcile with the annual statement.
3. All data will be tested for accuracy and reasonability. Records that do not pass the editing tests will be returned to the company for corrections and must be resubmitted within **15 calendar days**.
4. Resubmissions must always be accompanied by:
  - transmittal form A
  - portions of the transmittal forms that have been updated/revised (hardcopy and e-mail version)
  - if revised, entire data on selected output medium
  - a notarized affidavit

## I. GENERAL RULES (continued...)

5. Failure to submit a report free of errors with your second resubmission will deem your company as non-compliant with Section 11628(a) and CIC 700(a). Non-compliant companies will be subject to fines per CIC 11628(g) as described in Section G. below.

F. AFFIDAVIT:

Reports must be submitted with an affidavit made under oath before a notary public for each submission or resubmission.

G. PENALTIES AND CHARGES:

The insurer's failure to submit its experience by the due dates will be considered non-compliant with Section 11628(a) and Section 700(c) of the California Insurance Code. Penalties may be enforced per CIC Section 11628(g) which provides as follows:

CIC 11628(g) – “Any person subject to regulation by the commissioner pursuant to this code that fails to comply with a data call required by the department pursuant to subdivision (a) shall be liable to the state for a civil penalty in an amount not exceeding five thousand dollars (\$5,000) for each 30-day period that the person is not in compliance, unless the failure to comply is willful, in which case the civil penalty shall be in an amount not to exceed ten thousand dollars (\$10,000) for each 30-day period that the person is not in compliance, but not to exceed an aggregate amount of one hundred thousand dollars (\$100,000). The commissioner shall collect the amount so payable and may bring an action in the name of the people of the State of California to enforce collection. These penalties shall be in addition to other penalties provided by law.”

**IMPORTANT NOTE for GROUP SUBMISSIONS:**

If subject to penalty, each company listed in a group submission will be charged.

## I. GENERAL RULES (continued...)

### H. PROPRIETARY POLICY:

As a general rule all data submitted to the California Department of Insurance (CDI) Statistical Analysis Division is deemed to be proprietary in nature and treated as confidential. Data will only be released in the aggregate so no individual company experience is revealed, unless;

- a. Mandated by California Insurance Code or California Code of Regulations.
- b. Requested by other CDI Units for internal use, but continue to maintain confidentiality.
- c. Ordered by the Insurance Commissioner or Legislative Insurance Committee in the public interest, and does not conflict with proprietary protection under current law.

### I. COMMUNICATIONS:

All communications must be directed to:

Gary Quan           (213) 346-6315 or [quang@insurance.ca.gov](mailto:quang@insurance.ca.gov)  
FAX Number:       (213) 897-6571

California Department of Insurance  
Statistical Analysis Division  
300 South Spring Street, 14<sup>th</sup> Floor  
Los Angeles, CA 90013

Attn: SAP 2008

**Note: For the initial e-mail submission, use the following  
address: [Submissions@insurance.ca.gov](mailto:Submissions@insurance.ca.gov)**

**For *Resubmissions*: Please e-mail them directly to the  
analyst reviewing your company's report.**

J. **CHANGES:** Effective with reporting year 2008 (**SAP 2008**)

a. **Additional deductible distribution** that applies to experience year 2006 and 2007 is added to Comprehensive **replacing 301 & up** (deductible code 26) with the following (see page F-11):

Deductible Codes:	26	301 – 500
	27	501 – 1000
	28	1001 & up

b. **Form AG2 added:** Transmittal Form AG2 is added to report the top 7 deductibles written per coverage and program. Please see page T-3 for detail.

c. **Record E modified:** Added field to include data file run date. Please see page F-5 for detail.

NOTE:

From the SAP-2007 Statistical Plan Announcement (page G-4), please disregard the **CDW Loss Reporting Change**. Please follow the CDW Loss Reporting method stated in this statistical plan.

## **II. TRANSMITTAL FORM REPORTING SECTION**

## II. TRANSMITTAL FORM REPORTING

### A. ACCESSING TRANSMITTAL FORMS:

This section provides instructions for reporting data on Transmittal Forms A through **Form AG2**, in a Microsoft Excel workbook file (**SAP-2008.xls**).

#### 1. System Requirement

- The transmittal forms will only run on Microsoft Excel
- Internet Explorer Version 5 or Netscape Navigator.
- If you are experiencing difficulty in opening the transmittal files, please contact Luciano Gobbo at (213) 346-6308.

#### 2. Opening File

From the Auto Physical Damage Experience webpage, click on *Transmittal Forms* link to bring up the Excel workbook (**SAP-2008.xls**).

#### Using Netscape Navigator or Microsoft Internet Explorer

- A message will be displayed.....
- Select SAVE and indicate destination where you would like to save your file.
- Under file name, type SAP-2008 and select SAVE.
- Go to Step 3 "Entering Data".

#### 3. Entering Data

- Using Microsoft Excel, open the SAP-2008 file you have just saved.
- Depending on which Excel version you have, a message might appear informing you that . . . *The workbook you are opening contains Macros.*
- Select the ENABLE MACROS button.  
Once the macro has been enabled, an Excel workbook will be opened containing several worksheets.
- To select the form (worksheet), click on the tabs on the lower left corner of the page.
- Begin entering data in the appropriate cells. Move from cell to cell using the **TAB** key.

#### 4. Saving the File

When finished entering data, save the data input by selecting FILE and SAVE from the menu or by simply pressing the SAVE button. This file can be saved to a local drive or a diskette.

#### 5. Printing Transmittal Forms

Select FILE and PRINT from the menu in each worksheet to print the individual transmittal forms or use the given buttons to print.

## II. TRANSMITTAL FORM REPORTING (Continued...)

### INSTRUCTIONS FOR COMPLETING TRANSMITTAL FORM

#### B. TRANSMITTAL INSTRUCTIONS

##### Form A, Page T-1 - Company Information

1. Enter company and group code as designated by NAIC. If submitting by group, leave the NAIC code blank.
2. Complete the necessary information.
  - a. Enter group name.
  - b. Complete company name and mailing address. Enter company name only if submitting data individually.
3. Enter the information of the company's contact person.
4. Indicate a technical contact person who can directly answer questions regarding the data submission.
5. Indicate the name of the company's Chief Executive Officer.
6. Indicate the type of submission, the type of output medium used and complete the requested information.

##### Form B, Page T-2 - More Company Information

7. If reporting as a group, list all companies included in the report.
8. Indicate the marketing system used by your company.
9. Provide the deductible amounts by coverage used by your company for each type of program written.
10. Date Completed: Enter the date the workbook is completed.
11. Group Submission: Indicate Y for Group submission and N for an individual submission.

##### Form C through J, Pages T-3 through T-10 - Summary Data

This will contain summary data for Private Passenger Motor Vehicle Physical Damage Experience. Experience must be reported for each year, coverage and program. If there is no experience to report for a particular year and coverage, leave the worksheet blank.

<b>FORM C</b>	2006 Collision experience
<b>FORM D</b>	2007 Collision experience
<b>FORM E</b>	2006 Comprehensive experience
<b>FORM F</b>	2007 Comprehensive experience
<b>FORM G</b>	2006 Collision Deductible Waiver experience
<b>FORM H</b>	2007 Collision Deductible Waiver experience
<b>FORM I</b>	2006 Other Physical Damage experience
<b>FORM J</b>	2007 Other Physical Damage experience

## II. TRANSMITTAL FORM REPORTING (Continued...)

### Form AA, Page T-11 - Reconciliation

The reconciliation report must be completed and must reconcile with the reported premiums for line 21.1 in the State Page Exhibit of the company's annual statement for 2006 and 2007.

Provide explanation on the space provided in Form AA (cell B30) if Line Item 'c' (invalid ZIP codes) is more than 2% of the total reported in the output medium.

Also provide an explanation where reconciliation does not equal to zero on the space provided (cell B30).

### Form AB, Page T-12 – Loss Development Factors

#### **REMINDER**

This form had been eliminated. Please continue to use your company's Loss Development Factors (LDF) using the information below when you prepare the G records in your data file. We will use the LDF information you entered in the G records.

Loss development factor (LDF) is a factor that is applied to loss data to project the ultimate loss amounts based on the company's actual historical loss experience. Loss development factors should be reported on a case incurred losses (Paid Losses + Case Reserve) basis and **calculated separately by coverage and experience year**. Convert the loss development factors to case incurred losses basis if a different basis was used.

Example: If the loss development factors were calculated by paid losses, the data should be reported as:

$$\text{LDF (case incurred losses)} = \frac{\text{Paid Losses} \times \text{Loss Development Factors (paid losses basis)}}{\text{Case Incurred Losses}}$$

### **Form AG2 – Top 7 Deductibles by Coverage**

**List the top 7 deductibles per coverage and program your company writes. The deductibles are to be based on exposures in-force as of December 31, 2007 and indicate the percentage distribution that it represents to all the deductibles for that coverage. For example, the number of exposures with 250 deductible for collision divided by the total exposures of all the deductible for collision.**

### **III. DATA REPORTING FORMAT SECTION**

### III. DATA REPORTING FORMAT

#### Formatting Specifications

1. OUTPUT MEDIUM: 3.5" diskette, electronic mail, or 1x-16x Compatible CD-R.
2. RECORD FORMAT:
  - a. For diskette, electronic file or CD, submit only in ASCII with fixed length of 81 bytes per record.
  - b. **Submit the entire 2 years experience in one file.**
  - c. Diskette or CD submission must be externally labeled in the following manner:

<p><b>AUTO PHYSICAL DAMAGE REPORTING YEAR 2008</b></p> <p>NAIC/Group Code: _____</p> <p>Company/Group Name: _____</p> <p>Number of Records: _____</p> <p>Submission Type: _____ (indicate if initial or resubmission)</p>
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**Sample External Label**

3. FIELD FORMAT:
  - a. All numeric fields are right justified with leading zeros.
  - b. There are no decimals in any of these layouts. The loss development factor is multiplied by 1000, leaving a whole number.
  - c. All monetary fields are in whole dollars (no cents).
  - d. Negative numbers: All negative values will have a "-" sign in the left most position, for example, "-00001200". Positive amounts are to be left unsigned.

### III. DATA REPORTING FORMAT (Continued...)

#### List of Record Types and Descriptions

E = Company ID Record

There is one company ID record per company. This record gives basic company identification.

F = Summary Data Record

This record shows grand totals for each coverage and year grouping. There can be up to **six (6) summary data records** as there are three (3) coverage groupings each with two (2) experience years in this study.

G = Data Block ID Record

The data block ID record classifies the detailed ZIP code experience data (H Records) for each experience grouping submitted. An experience grouping is every valid combination of: 1) program type, 2) coverage, 3) experience year and 4) deductible.

H = ZIP Code Data Record

A data record gives an experience recap for a particular experience grouping in one ZIP code only. There is a data record for every ZIP code that contains experience in the grouping it represents. ZIP codes that do not contain data are not to be included. Do not report premiums and losses in separate records, and no duplicate ZIP codes for the same grouping are allowed.

### III. DATA REPORTING FORMAT (Continued...)

#### Record Layout Summary

##### I. LAYOUT FOR 'E' (Company ID Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1
2. Company or Group NAIC Code	5	2-6
3. Company or Group Name	45	7-51
4. Data Call Name and Reporting Year	5	52-56
5. Run Date	6	57-62
6. Blanks	19	63-81

##### II. LAYOUT FOR 'F' (Summary Data Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1
2. Coverage Code	2	2-3
3. Experience Year	2	4-5
4. Blanks	4	6-9
5. Direct Written Premiums	9	10-18
6. Direct Written Exposures	9	19-27
7. Direct Earned Premiums	9	28-36
8. Direct Earned Exposures	9	37-45
9. Number of Claims Incurred	9	46-54
10. Case Loss Incurred	9	55-63
11. Paid Losses	9	64-72
12. Paid Allocated Loss Adjustment Expense	9	73-81

### III. DATA REPORTING FORMAT (Continued...)

#### III. LAYOUT FOR 'G' (Data Block ID Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1
2. Block Sequence Number	3	2-4
3. Company or Group NAIC Code	5	5-9
4. Program Code	2	10-11
5. Coverage Code	2	12-13
6. Experience Year	2	14-15
7. Loss Development Factor	4	16-19
8. Deductible Code	2	20-21
9. Blanks	60	22-81

#### IV. LAYOUT FOR 'H' (ZIP Code Data Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1
2. Block ID No.	3	2-4
3. ZIP Code	5	5-9
4. Direct Written Premiums	9	10-18
5. Direct Written Exposures	9	19-27
6. Direct Earned Premiums	9	28-36
7. Direct Earned Exposures	9	37-45
8. Number of Claims Incurred	9	46-54
9. Case Losses Incurred	9	55-63
10. Paid Losses	9	64-72
11. Paid Allocated Loss Adjustment Expenses	9	73-81

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'E' (Company ID Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1
Placing an "E" in this position denotes a Company ID record. There is only one company ID record per company. The record gives basic company identification.		
2. Company or Group NAIC Code	5	2-6
Enter the company code assigned by NAIC. If an insurer files a consolidated annual statement and reports consolidated experience, then enter the group code assigned by NAIC.		
3. Company or Group Name	45	7-51
If the company name is longer than 45 characters, an appropriate abbreviation of the name is acceptable. <u>DO NOT initialize</u> . If you file consolidated experience, enter the group name.		
4. Data Call Name and Reporting Year	5	52-56
Type: "SAP08"		
5. Run Date	6	57-62
Indicate the date the file was processed in this format MMDDYY – for example, 090108 means September 1, 2008.		
6. Blanks	19	63-81

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'F' (Summary Data Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1

A value of "F" must be placed to denote a summary data record. This record shows grand totals for each coverage and experience year.

2. Coverage Code	2	2-3
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There are three coverages available to choose from.

01 = Collision

02 = Comprehensive

03 = Collision Deductible Waiver

The coverage should only include pure private passenger automobile experience. For other types of coverage (rental reimbursements, towing & labor, etc.), refer to **EXCLUSIONS ON DATA REPORTING** on page G-2.

Collision Deductible Waiver is to be reported separately here and is no longer reported in the auto liability loss experience report. **Collision deductible waiver is defined as uninsured motorist coverage on property damage in the event an uninsured motorist is at fault and the insured's collision coverage covers the cost of repair to the insured vehicle.**

3. Experience Year	2	4-5
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A summary record is for one experience year only. Enter the last 2 digits of the experience year. Example: 2006=06

4. Blanks	4	6-9
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**\*\*\* Premiums and exposures are to be reported on a calendar year basis. Exposures MUST be in VEHICLE MONTHS For example: 3 cars insured for one year = 36 Vehicle Months. \*\*\***

5. Direct Written Premiums	9	10-18
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Summary of direct premiums written for the coverage and experience year specified. This summarizes records for all program types, deductible types and ZIP codes.

6. Direct Written Exposures	9	19-27
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Summary of direct exposures written for the coverage and experience year specified. This summarizes records for all program types, deductible types, and ZIP codes.

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'F' (Continued...)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
7. Direct Earned Premiums	9	28-36

Summary of direct premiums earned for the coverage and experience year specified. This summarizes records for all program types, deductible types, and ZIP codes.

8. Direct Earned Exposures	9	37-45
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Summary of direct exposures earned for the coverage and experience year specified. This summarizes records for all program types, deductible types, and ZIP codes.

**\*\*\* Claims and losses are to be reported on an accident year basis and evaluated as of March 31, 2008. \*\*\***

9. Number of Claims Incurred	9	46-54
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Summary of the number of claims incurred for the coverage and experience year specified. This summarizes records for all program types, deductible types and ZIP codes.

Claim count shall be reported as follows:

- a. Cases to be counted as claims must be only those in connection for which a case reserve and / or payment has been made. A claim closed without a loss payment shall not be counted as a claim.
- b. A claim on which more than one payment is made shall only be counted once and recorded when the case reserve is first made.
- c. A case involving more than one coverage or type of loss shall be counted as a claim for each loss under each coverage or type of loss. For example, if a claim involves Collision Deductible Waiver (CDW), report one claim count for CDW and one claim count for Collision. Please note that the loss for CDW should only be the deductible amount waived. The remaining loss is then reported under Collision.
- d. Salvage, subrogation, and other recoveries (not reinsurance) shall be recorded, as a credit to claim count only if the recovery is the total loss cost of the claim under that type of loss code.

10. Case Loss Incurred	9	55-63
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Summary of case losses incurred is Accident-Year paid losses plus case reserves (but not IBNR and BULK reserves) for the coverage and experience year specified. Case losses incurred are also reduced by salvage and subrogation. This summarizes records for all program types, deductible types and ZIP codes.

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'F' (Continued...)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
11. Paid Losses	9	64-72

Summary of losses paid for the coverage and experience year specified. Paid losses are to be reduced by salvage and subrogation. This summarizes records for all program types, deductible types, and ZIP codes.

12. Paid Allocated Loss Adjustment Expense	9	73-81
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Summary of paid allocated loss adjustment expenses (also known as Direct Defense and Cost Containment (DCC) Expenses Paid) for the coverage and experience year specified. This summarizes records for all program types, deductible types, and ZIP codes.

DCC include defense, litigation, and medical cost containment expenses, whether internal or external. DCC include, but are not limited to, the following items:

- (a) Surveillance expenses;
- (b) Fixed amounts for medical cost containment expenses;
- (c) Litigation management expenses;
- (d) Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by accident year;
- (e) Fees or salaries for appraisers, private investigators, hearings representatives, reinspectors and fraud investigators, if working in defense of a claim, and fees or salaries for rehabilitation nurses, if the cost is not included in losses;
- (f) Attorney fees incurred owing to a duty to defend, even when other coverage does not exist; and
- (g) The cost of engaging experts.

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'G' (Data Block ID Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1

A value of "G" must be placed to denote a data block ID record. The data block ID record classifies the detailed ZIP code experience data for each experience grouping submitted. An experience grouping is every valid combination of: 1) program type, 2) coverage, 3) experience year, and 4) deductible code.

2. Block Sequence Number	3	2-4
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EVERY DATA BLOCK RECORD ('G' record) must have a unique identifier number. This number will also be placed on every experience record ('H' record) that applies to the experience group specified in that 'G' record. The number is used to link the experience records with the PROGRAM, COVERAGE, EXPERIENCE YEAR, and DEDUCTIBLE information. The sequence number should begin at one and increment by one for every 'G' record formed. Company **SHOULD NOT** have more than one Block Sequence Number for the same program, coverage, experience year, and deductible.

3. Company or Group NAIC Code	5	5-9
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Enter the company code assigned by NAIC. If an insurer files a consolidated annual statement and reports consolidated experience, then enter the group code assigned by NAIC.

4. Program Code	2	10-11
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This code identifies the rating program. There are three programs to choose from.

12 = STANDARD (Preferred / Standard)

03 = NONSTANDARD (Sub-Standard)

06 = Motorcycle

5. Coverage Code	2	12-13
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There are three coverages available to choose from.

01 = Collision

02 = Comprehensive

03 = Collision Deductible Waiver

The coverage should only include pure private passenger automobile experience. For other types of coverage (rental reimbursements, towing & labor, etc.), refer to **EXCLUSIONS ON DATA REPORTING** on page G-2.

Collision Deductible Waiver is to be reported separately here and is no longer reported in the auto liability loss experience report. **Collision deductible waiver is defined as uninsured motorist coverage on property damage in the event an uninsured motorist is at fault and the insured's collision coverage covers the cost of repair to the insured vehicle.**

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'G' (Continued...)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
6. Experience Year	2	14-15

Enter the last 2 digits of the experience year. *Example: 2006=06*

7. 1000 (x) Loss Development Factor	4	16-19
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Loss development factor (LDF) is a factor that is applied to loss data to project the ultimate loss amounts based on the company's actual historical loss experience. Loss development factors should be reported on a case incurred losses (Paid Losses + Case Reserve) basis and **calculated separately by coverage and experience year**. Convert the loss development factors to case incurred losses basis if a different basis was used.

*Example: If the loss development factor were calculated by paid losses, the data should be reported as:*

$$LDF \text{ (case incurred losses)} = \frac{\text{Paid Losses} \times \text{Loss Development Factors (paid losses basis)}}{\text{Case Incurred Losses}}$$

Enter the indicated loss development factor for the specified program, coverage, and experience year. Note that the value is multiplied by 1000 with no decimals. *Example: 1.235 = 1235*

**PLEASE NOTE:** If your company **doesn't have any losses** for a particular coverage, please enter **1000. DO NOT ENTER 0000.**

8. Deductible Code	2	20-21
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The deductible code represents a range of deductibles. Enter the appropriate code for the range, which describes your company's specific deductible.

<u>CODE</u>	<u>Coverage</u>	<u>Deductible Range</u>
11	Collision	\$ 0 – 100
12	Collision	101 – 200
13	Collision	201 – 300
14	Collision	301 – 500
15	Collision	501 – 1000
16	Collision	1001 & up
19	Collision	Percentage or Disappearing



### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'H' (ZIP Code Data Record)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
1. Record Type	1	1-1

Placing an "H" in this position denotes an experience record for one ZIP code, and this experience is for a particular program, coverage, experience year, and deductible. This data record gives an experience recap for a particular experience grouping in one ZIP code only. There should be a data record for every ZIP code that contains any experience in the grouping it represents. Premiums and losses for a particular group and ZIP code should be reported under the same record. **ZIP codes that do not contain data MUST not be included.**

**IMPORTANT:**

DO NOT report the same ZIP code more than once for the same Block ID.

2. Block ID No. (sequence)	3	2-4
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This number should correspond with a Block Sequence Number from record 'G' that identifies the program, coverage, experience year and deductible that this experience data represents.

3. ZIP Code	5	5-9
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Enter **VALID California ZIP codes** as designated by the United States Postal Service for the **garaging address of the exposure**. Companies are required to check their own ZIP code list for validity before submitting their data. The range of California ZIP codes is from 90000 to 96200. ZIP codes that are out of this range, are to be automatically considered invalid. Invalid ZIP codes within the range will be investigated by the Department.

**\*\*\* Premiums and exposures are to be reported on a calendar year basis. Exposures MUST be in VEHICLE MONTHS For example: 3 cars insured for one year = 36 Vehicle Months. \*\*\***

4. Direct Written Premiums	9	10-18
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Detailed direct written premiums aggregated for a program, coverage, experience year, and deductible for a particular ZIP code.

5. Direct Written Exposures	9	19-27
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Detailed direct written exposures aggregated for a program, coverage, experience year, and deductible for a particular ZIP code.

6. Direct Earned Premiums	9	28-36
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Detailed direct earned premiums aggregated for a program, coverage, experience year, and deductible for a particular ZIP code.

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'H' (Continued...)

<u>Field Name</u>	<u>Length</u>	<u>Position</u>
7. Direct Earned Exposures	9	37-45

Detailed direct earned exposures aggregated for a program, coverage, experience year, and deductible for a particular ZIP code.

**\*\*\* Claims and losses are to be reported on an accident year basis and evaluated as of March 31, 2008. \*\*\***

8. Number of Claims Incurred	9	46-54
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Detailed number of claims incurred aggregated for a program, coverage, experience year, and deductible for a particular ZIP code.

Claim count shall be reported as follows:

- a. Cases to be counted as claims must be only those in connection for which a case reserve and / or payment has been made. A claim closed without a loss payment shall not be counted as a claim.
- b. A claim on which more than one payment is made shall only be counted once and **recorded when the case reserve is first made.**
- c. A case involving more than one coverage or type of loss shall be counted as a claim for each loss under each coverage or type of loss. For example, if a claim involves Collision Deductible Waiver (CDW), report one claim count for CDW and one claim count for Collision. Please note that the loss for CDW should only be the deductible amount waived. The remaining loss is then reported under Collision.
- d. **Salvage, subrogation, and other recoveries (not reinsurance) shall be recorded, as a credit to claim count only if the recovery is the total loss cost of the claim under that type of loss code.**

9. Case Losses Incurred	9	55-63
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Case losses incurred is the Accident-Year paid losses plus case reserves (but not IBNR and BULK reserves) aggregated for the program, coverage, experience year, and deductible for a particular ZIP code. Case losses incurred are also reduced by salvage and subrogation.

### III. DATA REPORTING FORMAT (Continued...)

#### LAYOUT FOR 'H' (Continued...)

#### **Important Note: For Collision Deductible Waiver Coverage:**

Collision deductible waiver (CDW) is defined as uninsured motorist coverage on property damage in the event an uninsured motorist is at fault and the insured's collision coverage covers the cost of repair to the insured vehicle.

CDW Losses refer **ONLY** to the deductible amount that is waived as part of the entire loss from a collision involving an **at fault uninsured motorist**.

For example: deductible code = 35 (501-1000), if the total incurred loss = \$2,000 and the deductible = 600 for 1 claim,

Incurring losses would be:	Claim Count would be:
Collision = \$1,400	Collision = 1
Collision Deductible Waiver = \$600	Collision Deductible Waiver = 1

Thus the Claim Severity (Incurred losses / Claims), under each CDW deductible code, should fall within a given deductible range.

10. Paid Losses 9 64-72

Detailed paid losses aggregated for a program, coverage, experience year, and deductible for a particular ZIP code. Paid losses are to be reduced by salvage and subrogation.

11. Paid Allocated Loss Adjustment Expenses 9 73-81

Detail paid allocated loss adjustment expenses (also known as Direct Defense and Cost Containment Expenses Paid) aggregated for the program, coverage, experience year, and deductible for a particular ZIP code. If this item is not available by ZIP code, distribute the statewide amount based on the following formula:

$$PALAE \text{ by Zip} = \text{Statewide PALAE} \times \frac{\text{Claims by ZIP Code}}{\text{Statewide Claims}}$$