

Long-Term Health Care Facilities And Residential Care Facilities Data Call LTCF-2009

STATISTICAL PLAN

INTRODUCTION

This is a statistical plan for the LTCF-2009 Data Call. This document contains the reporting requirements, due dates and related information needed to complete your company's reporting obligations under CIC 674.9(b)(1)-(11).

The statistical plan contains eight sections. These sections are outlined below:

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A. SCOPE OF STUDY

- The data required by this data call is being collected pursuant to California Insurance Code Section 674.9 (b) (1) – (11).
- The aggregated data will be provided to the Insurance Commissioner and State Legislature.

California Insurance Code 674.9(b)(1)-(11)

(b) Each insurer writing liability insurance for long-term health care facilities, residential care facilities for the elderly, or physicians who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly shall, by a date to be set by the commissioner, but in any event no later than July 1 of each calendar year, report to the commissioner information specified by him or her regarding liability policies for those facilities or physicians. The information shall include, but not be limited to, the following:

(1) Whether the insurer is writing coverage for long-term health care facilities, residential care facilities for the elderly, or physicians who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly, including new and renewal policies, and the types of policies it is writing.

(2) The number and types of long-term health care facilities or residential care facilities for the elderly and beds covered.

(3) The total amount of premiums from insureds, both written and earned, during the immediately preceding five calendar years.

(4) The total number of claims received, including the amount per claim.

(5) The number of claims incurred, together with the monetary amount reserved for loss and defense and cost containment expense for the immediately preceding accident year or report year.

(6) The number of claims closed with payment during the immediately preceding five calendar years, the total monetary amount paid for loss thereon, reported by the year the claim was incurred, and the total defense and cost containment expense paid thereon, reported by the year the claim was incurred.

(7) The monetary amount paid on claims, including the amount paid per claim, during the immediately preceding five calendar years to be reported separately by the year the claim was incurred, with defense and cost containment expense paid.

(8) The number of claims closed without payment during the immediately preceding five calendar years, reported by the year the claim was incurred, and the defense and cost containment expense paid thereon.

(9) The monetary amount reserved in the annual statement for loss and defense cost containment expense for the immediately preceding calendar year for outstanding claims incurred but not reported to the insurer.

(10) The number and types of lawsuits filed against the insureds in the immediately preceding calendar year.

(11) Annualized information on investment income or loss, which shall be consistent with the reported information provided by insurers to the National Association of Insurance Commissioners.

***Important Note:** For a copy of CIC 674.9(b)(1)-(11), visit the State of California Legislative Information website at <http://www.leginfo.ca.gov>.

- Upon entering the website, click on "CALIFORNIA LAW".
- Select the box entitled "Insurance Code" from the list of codes (located in 2nd column).
- Scroll down to bottom of page and ENTER 674.9 in the "Search By Keyword" field.
- Click "Search" button (located at the bottom of page).
- Select the appropriate link from the results page.

B. GENERAL RULES

INFORMATION PERIOD:

This data call is intended to collect your company's experience from 2004 through 2008.

For the purposes of the LTCF Data Workbook, CLAIMS and LOSSES are to be reported on an **ACCIDENT YEAR** basis and must be **EVALUATED AS OF MARCH 31, 2009**.

WHO MUST FILE:

- The Long-Term Health Care Facilities/Residential Care Facilities Data Call will focus on insurers who are *writing new or maintaining business in liability insurance for long-term health care facilities, residential care facilities for the elderly, and/or physicians¹ who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly.* ***If your company has written this type of coverage between 2004 through 2008, it must be filed with the Department.***
- The data call will be issued to ALL companies with experience in commercial-multiple peril (annual statement line 5.2 - liability), medical malpractice (annual statement line 11), and other liability (annual statement line 17). Companies writing new and/or renewal business in the lines mentioned above will be required to complete and return the **LTCF-2009 Acknowledgement of Receipt Form**.
- Companies that have information to report under this data call are required to complete the LTCF-2009 Acknowledgement of Receipt Form **AND** Data Collection Workbook.
- If your company ***does not write new and/or renewal business*** in liability insurance for long-term health care facilities, residential care facilities for the elderly, and/or physicians who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly, complete the “**No Experience To Report**” section in the LTCF-2009 Acknowledgement of Receipt Form and return that form to the California Department of Insurance.

1 IMPORTANT NOTE: For the purposes of this data call, PHYSICIANS who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly shall be defined as licensed physicians who perform as the Medical Director (or substantially equivalent function) of a licensed long-term health care facilities or residential care facilities for the elderly.

B. GENERAL RULES (continued)

PENALTIES FOR NON-COMPLIANCE:

- Companies that fail to submit a completed LTCF-2009 Acknowledgement of Receipt Form and LTCF-2009 Data Collection Workbook (if applicable) by the due date requested, will be considered in non-compliance with California Insurance Code Section 700 (c) and will be referred to the department's Legal Division for further action. Non-compliant companies will also be referred to the Field Rating & Underwriting Bureau who will collect the required data and bill the time required for examination at the company's expense pursuant to CIC 1857.4.

INDIVIDUAL COMPANY SUBMISSIONS ONLY – NO GROUP SUBMISSIONS:

Insurers who file a consolidated annual statement **may not** submit consolidated experience. This data call is to be reported on a company by company basis.

RE-SUBMISSIONS:

Submissions that do not pass the Department's validating tests will be returned to the company for corrections. No more than **one (1)** re-submission is acceptable. The company will be allowed **5 working days** to resubmit its data to the Department.

VALIDATING PROCEDURE:

Companies should establish their own validating programs and procedures to detect errors.

All data will be tested for accuracy and reasonability. Rejected data will be returned to the company for correction and resubmission. ***If the company believes that the data is correct as submitted, it must provide an explanation in writing.***

C. 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.

D. REPORTING DUE DATES

- *LTCF-2009 Acknowledgement Form* (due – APRIL 20, 2009)
- *LTCF-2009 Data Workbook* (due – MAY 18, 2009)
- *LTCF-2009 Statistical Plan* – *Contains detailed instructions on how to complete the LTCF-2009 Data Workbook.*
- *LTCF-2009 Affidavit Form* (due – MAY 18, 2009)
- **Requests for extensions in submitting the LTCF-2009 Data Call** must be received no later than **MAY 11, 2009**.

All extension requests should be in writing and must be sent by e-mail to:
Erlinda D. Hayin at hayine@insurance.ca.gov.

Should you have an extension request, and/or questions related to the Statistical Plan or the LTCF-2009 Data Workbook, please address your inquiries or concerns to the contact person indicated below.

Erlinda D. Hayin
CALIFORNIA DEPARTMENT OF INSURANCE
Statistical Analysis Division
Telephone: (213) 346-6311
Facsimile: (213) 897-6571
E-mail: hayine@insurance.ca.gov

E. RETRIEVING THE LTCF-2009 DATA CALL PACKAGE FROM THE INTERNET

To retrieve the LTCF-2009 reporting forms (Acknowledgement of Receipt Form, Statistical Plan, Transmittal Forms and the Affidavit Forms), please follow the instructions below:

- Go to the Department of Insurance website at <http://www.insurance.ca.gov>
- Select **Insurers** page.
- From the **Insurers** page, select **Data and Reports** link on the left-hand column.
- Select **Statistical Plans** and then **Reporting Year 2009 Statistical Plans** link.
- A message will appear requesting a user name and a password. Enter the following:
User Name: GOTNUMBERS09 (case sensitive)
Password: STAT2009 (case sensitive)
- Select **Long-Term Health Care Facilities and Residential Care Facilities Data Call (LTCF-2009)**.
- From the LTCF-2009 site, you can retrieve:
 - *Circular*
 - *Acknowledgement Form**
 - *Statistical Plan*
 - *Data Workbook*
 - *Affidavit*

* **IMPORTANT:** Regardless of your reporting status, the **Acknowledgement of Receipt Form MUST BE RETURNED NO LATER THAN APRIL 20, 2009** via e-mail to SUBMISSIONS@INSURANCE.CA.GOV. We will not accept forms submitted via fax or U.S. Mail. Please refer to the instructions included in the acknowledgement form.

F. METHOD OF REPORTING

- The LTCF-2009 Data Workbook is available on the Internet (see Section E for retrieval instructions).
- For efficient and quick response, **we are requesting companies to submit the LTCF-2009 Data Workbook via e-mail attachment to: submissions@insurance.ca.gov**
- For your convenience, we have included a macro that will automatically send your completed data workbook to the California Department of Insurance. Click on the “**Company Contact Worksheet**” and *scroll down to the bottom of the worksheet*. The instructions for sending your completed data workbook can be found in the section entitled: “**Complete the attached worksheets and E-Mail This Form to CDI**”

NOTE: A printed “hard copy” WILL NOT BE ACCEPTED by the Department. If you are unable to process an Excel 97 file, please contact this office for further instructions (Section G).

AFFIDAVIT FORM – Mandated legislative filings must be submitted with an affidavit completed and signed under oath before a notary public. Submit this form via mail to the address listed in Section G.

G. CDI CONTACT INFORMATION

Should you have an *extension request*, and/or *questions related to the Statistical Plan or the LTCF-2009 Data Workbook*, please address your inquiries or concerns to the contact person indicated below.

Erlinda D. Hayin
CALIFORNIA DEPARTMENT OF INSURANCE
Statistical Analysis Division
300 South Spring Street, 14th Floor
Los Angeles, CA 90013
Telephone: (213) 346-6311
Facsimile: (213) 897-6571
hayine@insurance.ca.gov

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK

The purpose of this section is to provide you with the reporting instructions necessary for completing the LTCF-2009 Data Workbook.

The data workbook was developed using Microsoft Excel. Within the workbook, you will find ten (10) worksheets. What follows is a description of each worksheet and instructions on how to complete these worksheets.

- **Company Information Worksheet** – Requests company contact information.
- **Availability Worksheet** - Pursuant to CIC 674.9 (b) (1), the purpose of this worksheet is to determine if your company is currently writing coverage for long-term health care facilities, residential care facilities for the elderly, or physicians who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly OR if your company has written this coverage in the last five years.

For each of the coverages listed in the worksheet, please indicate whether your company is:

- **Currently Offering Coverage as of March 31, 2009 (New or Renewals Only)** : Check box (for each coverage listed in table) if your company is currently writing new business OR renewing existing business only (not offering new business) as of March 31, 2009.
 - **Has Offered Coverage Between 2004 through 2008**: Check box (for each coverage listed in table) if your company has written this coverage between January 1, 2004 through December 31, 2008.
- **Facilities and Beds Covered Worksheet** - Pursuant to CIC 674.9 (b) (2), the purpose of this worksheet is to collect the total number of long-term health care facilities and/or residential care facilities covered. In addition, this worksheet also collects the total number of beds covered by your company.

For each type of facility listed, please provide:

- **Total Number of Facilities Insured (as of December 31, 2008)** : This field requires the total count of all Long-Term Health Care Facilities (defined in HSCS 1418) and/or Residential Care Facilities for the Elderly (defined in HSCS 1569.2) insured by your company. Do not provide a policy count.
- **Total Number of Beds Covered (as of December 31, 2008)**: This field requires the total count of all beds covered under Long-Term Health Care Facilities (defined in HSCS 1418) liability policies and/or Residential Care Facilities for the Elderly (defined in HSCS 1569.2) liability policies insured by your company.

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK (continued)

- **Premiums Worksheet** - Pursuant to CIC 674.9 (b) (3), the purpose of this worksheet is to collect the total amount of written and earned premiums during the immediately preceding five calendar years.

For each year listed in the table, provide the total **direct written** and **direct earned premium** amounts for liability business covering long-term health care facilities, residential care facilities for the elderly, and/or physicians² who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly.

- **Incurred Claims Worksheet** - Pursuant to CIC 674.9 (b) (4), (5) & (7), the purpose of this worksheet is to collect total number of incurred claims, case incurred losses, paid losses, incurred defense and cost containment expenses, paid defense and cost containment expenses and ultimate loss for accident years 2004 through 2008.

For the purposes of the LTCF Data Workbook, CLAIMS and LOSSES are to be reported on an ACCIDENT YEAR basis and must be EVALUATED AS OF MARCH 31, 2009.

- **Total Number of Claims Incurred:** Report the total number of claims incurred by accident year. DO NOT INCLUDE CLAIMS THAT WERE CLOSED WITHOUT PAYMENT.
- **Case Incurred Losses:** Report the total amount for case incurred losses (paid losses + case reserves) by accident year evaluated as of March 31, 2009.
- **Paid Losses:** Report the total amount for paid losses by accident year evaluated as of March 31, 2009.
- **Incurred Defense and Cost Containment Expense:** Report the total amount for incurred defense and cost containment expenses (also known as Incurred ALAE) by accident year evaluated as of March 31, 2009.
- **Paid Defense and Cost Containment Expense:** Report the total amount for paid defense and cost containment expenses (also known as Paid ALAE) by accident year evaluated as of March 31, 2009.
- **Ultimate Loss:** Provide ultimate loss amounts for the years listed. Ultimate losses are obtained by applying your company's loss development factors to either paid or incurred losses to obtain the fully developed amount. Remember to include the developed defense and cost containment expense in the ultimate loss amount.

² **IMPORTANT NOTE:** For the purposes of this data call, PHYSICIANS who provide or oversee the provision of services to residents in long-term health care facilities or residential care facilities for the elderly shall be defined as licensed physicians who perform as the Medical Director (or substantially equivalent function) of a licensed long-term health care facilities or residential care facilities for the elderly.

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK (continued)

- **Closed Claims Worksheet** - Pursuant to CIC 674.9 (b) (6), the purpose of this worksheet is to collect summary level information on closed claims from 2004 through 2008. This section requires companies to report total number of closed claims, paid losses (on closed claims only – do not include claims closed without payment) and paid defense and cost containment expenses (on closed claims only-do not include claims closed without payment) by accident year.
- **Claims – Closed Without Payment** - Pursuant to CIC 674.9 (b) (8), the purpose of this worksheet is to collect summary level information on claims closed without payment from 2004 through 2008. This section requires companies to report total number of claims closed without payment and total defense and cost containment expenses by year the claim was incurred.
- **Incurred But Not Reported Losses** - Pursuant to CIC 674.9 (b) (9), the purpose of this worksheet is to collect the monetary amount reserved in the annual statement for loss and defense cost containment expense for outstanding claims incurred but not reported to the insurer in calendar year 2008.
- **Lawsuit Worksheet** – Pursuant to CIC 674.9 (b) (10), the purpose of this worksheet is to collect the number and types of lawsuits filed against the insureds in the immediately preceding calendar year. For each type of lawsuit listed, enter the total number of lawsuits filed against your insureds during calendar year 2008.
- **Investment Income or Loss Worksheet** – Pursuant to CIC 674.9 (b) (11), the purpose of this worksheet is to collect annualized information on investment income or loss. This information shall be consistent with the reported information provided by insurers to the National Association of Insurance Commissioners. **Refer to your company's UNDERWRITING AND INVESTMENT EXHIBIT, line 9, page 4 in the Annual Statement for California.**

SYSTEMS REQUIREMENTS

In order to complete this filing:

1. You will first need to retrieve the data workbook (*LTCF-2009.xls*), from the CDI website, requiring:
 - **Internet Explorer Version 5** or
 - **Netscape Navigator**See the section below entitled, **Opening File From Department Web Site**, which outlines some of the varying messages and/or procedures you may encounter when using *Internet Explorer* as opposed to *Netscape Navigator*. It is possible to retrieve the Transmittal Form using either version.

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK (continued)

2. Secondly, you will also need to complete this form in:

- **Microsoft Excel 97 or higher** – The transmittal forms will only run on Microsoft Excel 97 or higher. If you are experiencing difficulty in opening the transmittal files, please contact Erlinda D. Hayine at (213) 346-6311 or via e-mail at hayine@insurance.ca.gov.

OPENING FILE FROM DEPARTMENT WEB SITE

Upon entering the LTCF-2009 website (see Section E for instructions on accessing the site), click on the Transmittal Forms box to bring up the Excel workbook file, *LTCF-2009.xls*.

You may see different messages appear when using *Internet Explorer* or *Netscape Navigator* to access the Transmittal Forms. **Please refer to the appropriate sections below to SAVE the transmittal data to your local drive or a diskette before starting your data entry.**

1. If You Are Using Internet Explorer Version 5 –

- A message will be displayed...*Microsoft Excel...The Workbook you are opening contains Macros...*
- Select **Yes**. *Enables the macros that are needed to run the workbook. Calculations have been programmed and are automatic once data are provided.*

To *save* the file to a diskette, after retrieving file from the Department's website, is indicated in Section E.

- At the **TOP LEFT-HAND** corner of the LTCF-2009 Excel worksheet, **CLICK** on the button labeled "TRANSFER TO YOUR LOCAL DRIVE".
- Select the *path* where you wish to save file. If you are planning to save this file to a DISKETTE, choose the "a:\\" drive, otherwise, choose "c:\\" for your hard-drive.
- Under **FILE NAME** type *LTCF-2009.xls*
- Select **SAVE**.
- Go to STEP 3 below and begin entering data.

2. If You Are Using Netscape Navigator –

- A message will be displayed...
- Select **SAVE TO DISK** and choose the path where you would like to save your file.
- Under **FILE NAME** type *LTCF-2009.xls*.
- Select **SAVE**.
- **EXIT** Internet
- Proceed to STEP 3 below.

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK (continued)

3. AFTER YOU HAVE DOWNLOADED FILE - Retrieve file by using Microsoft Excel (97 or higher versions) and proceed with data entry

- OPEN MS Excel (version 1997 or higher).
- From Excel, **RETRIEVE** and **OPEN** the file (LTCF-2009.xls) from where you have saved it. When opening the file, a dialog box will appear on the screen asking if you wish to *enable macros*.
- Select ***Enable Macros***.
- Complete the form using Microsoft Excel (Office 97 version or higher).
- Submit as an Excel attachment to the e-mail address listed in Section F, Method of Reporting.

ENTERING DATA: As stated in the beginning of Section H, the Excel workbook has a number of worksheets. The workbook should automatically open to the Company Contact Worksheet. If not, simply click on the worksheet entitled, "COMPANY INFORMATION WORKSHEET". **IMPORTANT: Be sure that your company's contact information is filled out completely.**

Continue entering the appropriate data, as requested by each worksheet. To move from worksheet to worksheet, click the worksheet tabs at the bottom of your screen.

VALIDATE and confirm your entries. Be sure to check the written premiums and policies-in-force entries. Also, be sure to check that the written premium totals to reconcile with the State Page Exhibit of the Annual Statement for California.

SAVE: Save the entire workbook on diskette or on your hard drive. If unable to submit data to this department via the desired e-mail method, contact the CDI Contact Person listed in Section G of this statistical plan.

SUBMISSION OF DATA: Submit your completed data workbook to the California Department of Insurance as explained under Method of Reporting in Section F of this statistical plan. A completed LTCF-2009 filing consists of a completed data workbook and a notarized affidavit.

IMPORTANT: As discussed in Section F of this Statistical Plan, a completed and notarized AFFIDAVIT Form must be submitted in conjunction with your electronic submission of the data workbook, and must be mailed to the Department (see CDI address in Section G).