



March 10, 2023

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Ceded Commercial Automobile Data Call

The North Carolina Reinsurance Facility (NCRF) requires ceded Commercial Automobile data to support the NCRF rate filing for Commercial Auto. Carriers which do not cede Other than Private Passenger Automobile policies to the NCRF are not required to respond to this data call. The data collected will be used for preparation of a rate review.

NCRF appreciates your assistance in contributing to the database that will serve as the basis of NCRF's review of its Commercial Automobile insurance program. A full description of the data to be collected is in the attached excel spreadsheet. Changes from the last collection cycle are highlighted in yellow for your convenience. In addition, a Frequently Asked Questions (FAQ) document is attached to this circular. These documents are also located on the NCRF Website: <https://www.ncrb.org/ncrf/Commercial-Auto-Data-Call>.

Please provide to NCRF via email, to **Jodi Webb** at jlw@ncrb.org, your appointed contact(s) and their contact information, who will submit the data for this call, including which Companies (by NCRF Code, Company NAIC Number, and Company Name). *Appointed contact(s) should be provided **no later than April 15, 2023**.*

Thirty (30) days before the due date of the data call, your appointed contact(s) will receive a request for submission of data from Jodi Webb via email. Secure Transmission of data will occur through the Workspaces tool, and the email request, which your assigned contact will receive from Jodi Webb, will have a link where data can be submitted.

For this upcoming Ceded Commercial Automobile data call, the final due date for completed data submissions is **June 1, 2023**.

The timely and accurate submission of your company's data is vital to the Facility's rate making process.

<u>Transmission Schedule</u>	<u>Due Dates</u>
1. Provide Data Contact(s) to NCRF	April 15, 2023
2. Completed Ceded Other than Nonfleet Private Passenger Motor Vehicle (Commercial) Data due to NCRF via Workspaces	June 1, 2023

To encourage timely submission of the data, the NCRF Board of Governors has approved the implementation of a Penalty for Late Submission of Requested Data. A penalty of \$100 per day will be imposed for all late submissions. Member companies are urged to meet the requested due date to avoid the penalty for a late submission.

If you have any questions, please contact Jodi Webb at (919) 719-3028 or email jlw@ncrb.org.

Sincerely,

Tom Burns

Director of Auto Operations

North Carolina Reinsurance Facility

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Attachments

RF-23-2

<u>Field</u>	<u>Acceptable Values</u>	<u>Information</u>
Company Indicator	five digits	Provide the company NAIC code
NCRF Code	five digits	Provide the Company's NCRF Code
Cal/Acc Year	2016, 2017, 2018, 2019, 2020, 2021, 2022	4 Digits - For each yearly call, provide the latest 7 calendar/accident years ending 12/31.
Class Code	up to 5 digits	Up to 5 digits (include leading zeroes); available codes are ONLY those published in the Excel File "NCRF Classifications")
Limit ID	CS, SP	CS - Combined Single Limit, SP - Split Limit
Coverage	BI, PD	BI - Bodily Injury, PD - Property Damage
Limit Code	two digits	For combined single limit use same limit code for BI and PD. For split limit, use appropriate BI and PD limit code
Territory	011-024	3 digit territory code; Territory - 011-024 for vehicles garaged in North Carolina (Note: Zone Codes are now reported in the Zone field)
Zone	201-237, 240-249, 901-937, 940-949	3 digit zone code - Zone - 201-237, 240-249, 901-937, 940-949 for vehicles garaged in North Carolina
Zipcode	five digits	Based on where each vehicle is garaged
Out of State Zone	two digits	Two-digit regional zone based on page 39 of NCRF Manual (Rule 35); The regional zone farthest away from the principal garaging Zone based on the zip code where the vehicle is garaged
Earned Premium	Whole number	For combined single limit, only show combined Earned Premium on the BI coverage record. Enter 0 for the PD coverage record. Round to a whole number
Earned Exposure	Round to 3 decimals	Car months, Auto Dealers - Rating Unit Months. For combined single limit, only show Earned Exposure on the BI coverage record. Enter 0 for the PD coverage record. Round to 3 decimal places.
Paid Capped Loss and ALAE 15 Mo.	Whole number	For each accident year within the given call, show the 15 month evaluation amount
Incurred Capped Loss and ALAE 15 Mo.	Whole number	For each accident year within the given call, show the 15 month evaluation amount
Paid Total Loss and ALAE 15 Mo.	Whole number	For each accident year within the given call, show the 15 month evaluation amount
Incurred Total Loss and ALAE 15 Mo.	Whole number	For each accident year within the given call, show the 15 month evaluation amount
Paid Claims 15 Mo.	Whole number (count)	For each accident year within the given call, show the 15 month evaluation amount
Incurred Claims 15 Mo.	Whole number (count)	For each accident year within the given call, show the 15 month evaluation amount
Paid Capped Loss and ALAE 27 Mo.	Whole number	For each accident year within the given call, show the 27 month evaluation amount
Incurred Capped Loss and ALAE 27 Mo.	Whole number	For each accident year within the given call, show the 27 month evaluation amount
Paid Total Loss and ALAE 27 Mo.	Whole number	For each accident year within the given call, show the 27 month evaluation amount
Incurred Total Loss and ALAE 27 Mo.	Whole number	For each accident year within the given call, show the 27 month evaluation amount

Paid Claims 27 Mo.	Whole number (count)	For each accident year within the given call, show the 27 month evaluation amount
Incurred Claims 27 Mo.	Whole number (count)	For each accident year within the given call, show the 27 month evaluation amount
Paid Capped Loss and ALAE 39 Mo.	Whole number	For each accident year within the given call, show the 39 month evaluation amount
Incurred Capped Loss and ALAE 39 Mo.	Whole number	For each accident year within the given call, show the 39 month evaluation amount
Paid Total Loss and ALAE 39 Mo.	Whole number	For each accident year within the given call, show the 39 month evaluation amount
Incurred Total Loss and ALAE 39 Mo.	Whole number	For each accident year within the given call, show the 39 month evaluation amount
Paid Claims 39 Mo.	Whole number (count)	For each accident year within the given call, show the 39 month evaluation amount
Incurred Claims 39 Mo.	Whole number (count)	For each accident year within the given call, show the 39 month evaluation amount
Paid Capped Loss and ALAE 51 Mo.	Whole number	For each accident year within the given call, show the 51 month evaluation amount
Incurred Capped Loss and ALAE 51 Mo.	Whole number	For each accident year within the given call, show the 51 month evaluation amount
Paid Total Loss and ALAE 51 Mo.	Whole number	For each accident year within the given call, show the 51 month evaluation amount
Incurred Total Loss and ALAE 51 Mo.	Whole number	For each accident year within the given call, show the 51 month evaluation amount
Paid Claims 51 Mo.	Whole number (count)	For each accident year within the given call, show the 51 month evaluation amount
Incurred Claims 51 Mo.	Whole number (count)	For each accident year within the given call, show the 51 month evaluation amount
Paid Capped Loss and ALAE 63 Mo.	Whole number	For each accident year within the given call, show the 63 month evaluation amount
Incurred Capped Loss and ALAE 63 Mo.	Whole number	For each accident year within the given call, show the 63 month evaluation amount
Paid Total Loss and ALAE 63 Mo.	Whole number	For each accident year within the given call, show the 63 month evaluation amount
Incurred Total Loss and ALAE 63 Mo.	Whole number	For each accident year within the given call, show the 63 month evaluation amount
Paid Claims 63 Mo.	Whole number (count)	For each accident year within the given call, show the 63 month evaluation amount
Incurred Claims 63 Mo.	Whole number (count)	For each accident year within the given call, show the 63 month evaluation amount

FREQUENTLY ASKED QUESTIONS – NCRF COMMERCIAL AUTO DATA CALL (CEDED ONLY)

Question:

What has changed in this data call compared to data collected for 2022?

Answer:

There were several changes to this year's request.

1. The NCRF Code was added as a requested data element.
2. This year, 7 years of policy data will be collected.
3. For zone rated vehicles garaged out-of-state, a field was added to collect the two-digit regional zone for the zone farthest away from the principal garaging zip code. This field (Out of State Zone) is intended for vehicles rated under Rule 35.B.2 of the Manual.
4. The field for "Number of Vehicles on Policy" has been removed.

Question:

If I have more than one garaging location, how do I report Zip Code?

Answer:

Zip Code should be reported by vehicle based on the garaging location of each vehicle. For example, a policy with one vehicle in Charlotte and one vehicle in Raleigh should be reported as two records, with one Charlotte zip code and one Raleigh Zip Code.

Question:

Where can I find the codes to be reported for Territory, Zone, Class Code, and Limit Code?

Answer:

These codes can be found in the NCRF Commercial Auto Manual, which (depending on statistical agent) may not be the same as the codes used for statistical reporting.

For Territory code, all should be 3 digits in length. Valid territory codes (non-zone rated risks) are 011-024.

For zone-rated vehicles, the valid Zone codes are 201-237 and 240-249 if the risk originates in the Charlotte Zone (05) and 901-937 and 940-949 if the risk originates anywhere else in North Carolina.

The BI split limit codes and the PD split limit codes are on page R-3 and R-4 of your manual. For single limits, they should use the same codes on the BI (R-3) or PD page (R-4).

Question:

Should all policies and claims be included, even policies where there are no reported claims?

Answer:

Yes, we need detail from every policy and every claim ceded to the NC Reinsurance Facility, whether or not there are claims associated with each policy.

Question:

What is the difference between paid and incurred claim amounts?

Answer:

Paid claims include any claims which have had payments on them; Incurred claims include all paid claims, as well as claims that are pending (and have reserves, but not necessarily payments made).

Question:

Do we need to include claims with no payment, or where a payment was denied?

Answer:

Claims with no payment can be excluded from this request. Any claims with only outstanding case reserves does need to be included in the request.

Question:

Please explain what is intended by "capped" losses.

Answer:

Indemnity loss should be capped as follows:

- a. Bodily Injury (BI) claims should be capped at \$30,000 per claimant and \$60,000 per occurrence. So if there was an accident with 2 BI claimants; the first got \$25,000 and the second got \$35,000, the reported capped BI loss for that occurrence would be \$55,000. The claim count would be 2. These values would be included in the aggregate values being reported.
- b. Property Damage (PD) claims should be capped at \$25,000 per occurrence.
- c. ALAE is uncapped and should be included as appropriate with the BI and PD indemnity losses.
- d. Total limit losses should be capped at policy limits, with ALAE uncapped.
- e. Don't include IBNR.

Question:

What is meant by 15, 27, etc. evaluation of the loss details?

Answer:

Claims with accident dates from 1/1/2016 through 12/31/2016, evaluated at 3/31/2017 = 15 months

Claims with accident dates from 1/1/2016 through 12/31/2016, evaluated as of 3/31/2018 = 27 months

The 2017 and 2018 accident dates will need to be valued at 15 months, 27 months, 39 months, 51 months, and 63 months.

The accidents from 1/1/2022 through 12/31/2022 would have a 15 month evaluation at 3/31/2023 - but the other "valuations" (27, 39, etc.) have not yet occurred, so no data would be reported there.

Question:

Should figures be combined for all policies?

Answer:

All policies should be grouped based on the other policy characteristics (territory, coverage, limit code, etc.). Policies do not need to be reported individually.

Question:

Should we report Medical Payment, Uninsured Motorists (UM), or Underinsured Motorist (UIM) policies and/or claims? Should we report policy level coverages such as hired or Non Owned auto coverage?

Answer:

Although this data is not required, it may be provided. This data may be required in future iterations of this data call.

Question:

For earned exposures, should we include trailers and/or hired/non-owned vehicles in the earned exposures?

Answer:

Yes, include all vehicle types as part of the exposure.