On the CUTTING EDGE

News about the Electronic Data Gathering Enterprise system coming soon.

It's New – And It's Definitely Improved.

For about three years, we've been hard at work building, from scratch, a new information technology system. It's called EDGE (for Electronic Data Gathering Enterprise) and it will bring about significant changes – positive changes – in the way we do business and you do business with us. This is the first in a series of messages designed to keep you up to date on our progress and help you prepare for what's to come.

What it is.

EDGE is not an update of the current system, but a complete re-engineering of Facility processes – the first full development of a new system in our history. It incorporates current industry best practices in a business-to-business web application that uses technology designed for the way companies operate today and will replace the COBOL-based mainframe system at AIPSO.

The EDGE system was developed specifically with the needs of you and other member companies in mind, thanks to the participation of the Technical Advisory Group. Comprised of a cross-section of member companies, the group has assisted in every phase of the design, requirements and testing of EDGE to make it as member-friendly as possible.

Outstanding support from the Board and member companies, along with a new partnership with AIPSO, have helped ensure that EDGE is on schedule and on budget. We will begin to roll it out in early 2007.

Please note: No changes have been made to the file layouts published in the NCRF Standard Practice Manual for the submission of files by member companies. EDGE will change how you report and manage the *same* data you are currently reporting to the Facility.

What it will do for you.

An entirely new way to interface with the Facility, EDGE will offer member companies a number of distinct advantages:

- Single sign-on access to the Facility, Rate Bureau and IGA
- Secured, encrypted electronic transfer of data
- Settlement cycles shortened from 60 days to 30 days
- Online presentation of new consolidated statement billing
- EFT payment options
- Real-time ceding of risks
- Online acknowledgments and management of submitted data
- Quicker generation of error reports
- Online edits
- Email alerts

Your company will see a host of benefits, including a reduction in the man-hours and overhead required for Facility reporting, the elimination of shipping costs to report data, and an increase in the time available to make corrections – thereby reducing penalties – as the current once-a-month opportunity to submit corrections is replaced by 24/7 data reporting capability with multi-user access.

The New Data Center

Please direct questions or correspondence regarding EDGE to: Linda McCalpin 919-582-1020 lam@ncrb.org

She'll make sure you're connected with the person best able to help.

Visit our EDGE FAQs on our website at http://www.ncrb.org/ncrf/

And, for the first time ever, your firm will have access to the data you've already submitted and will receive real-time acknowledgements of submissions – both of which further reduce the opportunity for errors that result in the loss of ceded coverage.

What do you need to do *NOW* to get ready.

There are only a few steps you need to take at this point, but they're crucial:

1. Pass this information along to your IT / Accounting /Facility Reporting specialists.

2. Identify a Migration Coordinator.

Because EDGE will entail business process changes, data quality improvements and technical changes including FTP setup and security approvals, we ask that you designate a Migration Coordinator to serve as your company's "point person." The coordinator won't necessarily perform all of the actual roll-out activities but will need to be able to quickly guide us to the appropriate person. (If the coordinator is a business person, for example, he or she might work on the business process changes but assign a readily-available technical person to set up the FTP process.)

A note to existing TAG team members: we encourage you to take on the role of Migration Coordinator, but you have the option of nominating somebody else.

EDGE will not require extensive programming changes by member companies compliant with current data specifications.

Click here to provide contact information for the Migration coordinator including: name, title, direct phone number and email address: EDGE Migration Coordinator Contact

3. Submit your monthly Accounting Report to AIPSO earlier.

This is the means by which you report Premiums, Losses, and Recoupments to the Facility. The new due date – which is the 25th day after the close of the accounting month (see the Circular letter RF-06-12 issued Oct. 3, 2006, for the new dates) – will shorten settlement cycles by about a month.

What you'll need to do *LATER*:

The following information should help you in your planning:

1. **Prepare to set up FTP (File Transfer Protocol) connections for data submissions in Q4 2006.**
2. **Register for EFT (Electronic Funds Transfer) settlement options for consolidated billing in early 2007.**
3. **Register for Web administration accounts for online access in early 2007.**

Getting a word in EDGEwise

The day the servers and drives and computer racks started arriving for our new EDGE system was one of the most exciting in my 15-year career here. The transformation from what had been in place was nothing short of phenomenal. But, even more important, this move from the drawing board into reality marked our venture into a revolutionary new information system that was developed and designed especially for your needs and ours.

Once you realize the benefits and advantages to be gained by the new system, I'm confident that you'll be as enthusiastic about it as I am. In the meantime, let me assure you that we are doing this for you and not to you. Really.

Edith T. Davis

Edith T. Davis
Director, Reinsurance Facility