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BULLETIN 87-16

TO: All Companies Writing Commercial Casualty Insurance in Missouri
FROM: Lewis R. Crist, Director
RE: Reporting Requirements
House Bill 700
DATE: November 9, 1987

Section 32 of House Bill 700 which became effective on July 1, 1987, requires the reporting of certain statistical data to the Missouri Division of Insurance. The reporting requirements under this section are essentially in two areas: profitabilities and closed claim data.

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After much deliberation, we have determined that the classes to be reported are the following:

Commercial Automobile Liability
Truckers
Garage Liability

Liability Other Than Auto
Governmental
Contracting or Servicing
Mercantile
Miscellaneous

Environmental Impairment Liability (Pollution Liability)

Professional Liability other than Medical
Architects & Engineers
Veterinarians
Insurance Agents/Brokers
Directors & Officers

There are separate forms for reporting profitabilities and closed claim information, and a set of instructions for each. The closed claim reporting form is in three parts. One set of this form must be filled out for each indicated class or sub-class on the profitability form for which your company

shows experience. Copies of these reports are enclosed; you will need to make any additional copies. Also included is a copy of the section of H.B. 700 to which this bulletin relates.

Reports for 1987 data are required to be filed in this office by March 1, 1988. Future reports will be required by March 1 on experience for the year immediately preceding.

Any questions should be directed to the Statistical Section at (314)751-0794.

LRC:mlc

Enclosures

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MISSOURI COMMERCIAL LIABILITY PROFITABILITY REPORTING FORM

Instructions

A. Columns - Dollar and Percentage Numbers

1. All blanks should be filled in. If your company does not write the class listed, enter "None" in Column 1.

2. Columns 1 through 5

These columns should reflect Missouri experience only and should be the actual dollar amount for premiums, losses, and dividends. Columns 1 through 4 should be completed for every class unless your company does not write the coverage.

3. Columns 6 through 12

These are percentage figures and should be developed in the same manner as the Insurance Expense Exhibit (IEE) of the Annual Statement. The percentages must be on a Countrywide basis.

The following show the corresponding IEE line for each column of the Profitability Report.

<u>Column Number from Profitability Reporting Form</u>	<u>Line on the Insurance Expense Exhibit</u>
6	10
7	17*
8	7
9	6 & 19**
10	8
11	12

* If this line is not completed on the IEE, use line 4.

** If your company does not complete Section B of the IEE, use line 6 only.

B. Classes of Business

General Instructions: Products and Completed Operations experience should be excluded in all cases unless it is an insignificant dollar amount included in a general liability policy. Also excluded from reporting under HB 700 are Medical Malpractice, Legal Malpractice, and Real Estate Malpractice, which fall under Chapter 383 and are therefore exempt.

1. Commercial Automobile Liability (I)

This is line 19.4 on page 14 of the Annual Statement and should reflect the same numbers.

2. Truckers (Ia, Ia1, Ia2)

The general category Ia should include all truckers liability written. For Local (Ia1) and Long-Haul (Ia2), use your company's criteria for these classifications.

3. Garage Liability (Ib)

This should include experience for premises and operations liability coverage written for new car dealers, used car dealers, repair shops, and all other entities for which garage liability is written.

4. Liability Other Than Auto (General Liability) (II)

This should include all experience reported for line 17 on page 14 of the Annual Statement excluding products liability, environmental impairment (EIL), or any of the professional lines listed in IV of this report.

5. Governmental (IIa, IIa1, IIa2, IIa3)

The general category, IIa, should include all experience for all types of governmental liability written in Missouri. Schools (IIa1) should reflect only experience for public schools. Water/Sewer (IIa2) should be experience written on any public water or sewer district. Municipalities (IIa3) should include liability coverage for villages, towns, or cities.

6. Contracting or Servicing (IIb, IIb1, IIb2)

Use codes 90000 through 99999 of ISO's Simplified General Liability Manual, or corresponding codes used by your company.

7. Mercantile (IIc, IIc1, IIc2, IIc3)

Use codes 10000 through 19999 of ISO's Simplified General Liability Manual, or corresponding codes used by your company.

8. Miscellaneous (IId, IId1, IId2, IId3, IId4)

Use codes 40000 through 49999 of ISO's Simplified General Liability Manual, or corresponding codes used by your company.

9. EIL (Pollution Liability) (III)

This should include only premises and operations liability. Do not include any products liability.

10. Professional Liability other than Medical (IV, IVa through IVd)

For the general category IV, include all professional liability excluding those classes covered by Chapter 383.

Professional liability experience should include Errors & Omissions coverage, or any other coverage which provides professional liability protection for each or any of the professions listed.

C. Other Instructions

1. Fill out a Closed Claim Reporting Form for each class/sub-class marked with an asterisk.

2. Please fill in the name, title, and telephone number of the person preparing the profitability report.

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MISSOURI COMMERCIAL LIABILITY PROFITABILITY REPORTING FORM

Name of Company _____ NAIC Number _____ For Year Ending _____

Classes of Business	(1) Direct Premium Written (\$)	(2) Direct Premium Earned (\$)	(3) Direct Losses Paid (\$)	(4) Direct Losses Incurred (\$)	(5) Dividends to Policyholders (\$)	(6) Investment Gain (\$)	(7) Countrywide Loss Ratio %	(8) Loss Adjustment Expense (\$)	(9) General Expense (\$)	(10) Selling Expense (\$)	(11) Taxes Licenses & Fees (\$)	(12) Income Taxes (\$)
I COMMERCIAL AUTOMOBILE LIABILITY												
Ia Truckers					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• Ia1 Local					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• Ia2 Long-Haul					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• Ib Garage Liability					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
II LIABILITY OTHER THAN AUTO (General Liability)												
IIa Governmental												
• IIa1 Schools					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIa2 Water/Sewer Districts					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIa3 Municipalities					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
IIb Contracting or Servicing												
• IIb1 Pest Control					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIb2 Asbestos Removal					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
IIc Mercantile												
• IIc1 Liquor Liability					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIc2 Machine & Equipment Dealers					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIc3 Retail & Wholesale Stores					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
IIId Miscellaneous												
• IIId1 Amusement & Recreational					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIId2 Day Care Centers					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIId3 Apartment & Condominium					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IIId4 Hotels & Motels					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• III EIL (POLLUTION LIABILITY)												
IV PROFESSIONAL LIABILITY (Other than Medical)												
• IVa Architects & Engineers					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IVb Veterinarians					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IVc Insurance Agents/Brokers					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
• IVd Directors & Officers					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

PERSON PREPARING THIS REPORT:

Name & Title _____

On This Report Number _____

* Closed Claim Form must be completed

MISSOURI DIVISION OF INSURANCE
CLOSED CLAIM REPORTING FORM

A Closed Claim Reporting Form must be submitted for each of the classes/sub-classes indicated on the profitability report for which your company reported experience.

General Instructions

On each part of this Closed Claim Form enter the full name of the company, the eight-digit NAIC code (three-digit group code plus five-digit company code), the class of business being reported (include its identification number from the profitability report), and the year reported.

The instructions for filling out each part of the form are on the back of that part.

Please fill in the section on the bottom of Part A which shows the name, title and telephone number of the person preparing the report.

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PART A

This is a summary of claims closed during the year and the outstanding claims by the year the claims were incurred.

Year Incurred

Label each year separately. If over 20 years, use "19__ & prior". For example, in reporting data for 1987, the earliest date shown should be 1968 & prior.

Claims Closed

1. No. Claims Paid

The number of claims which meet all the following criteria:

- (a) Were incurred in year in first column
- (b) Were closed in year being reported, and
- (c) Were closed with payment.

2. No. Claims Closed Without Payment

The number of claims which meet all the following criteria:

- (a) Were incurred in year in first column
- (b) Were closed in year being reported, and
- (c) Were closed without payment.

3. Dollars Paid

The dollars that were paid on the claims that were:

- (a) Were incurred in year in the first column, and
- (b) Were closed in the year being reported

Outstanding Claims

These claims should not include incurred but not reported (IBNR).

1. No. Claims Unpaid Year End

The number of claims that were:

- (a) Incurred in year in the first column
- (b) Had not been closed at end of year being reported.

2. Dollar Amount Reserved Year End

What is the dollar value at the end of the year being reported for the reserves remaining on the unpaid claims that were incurred in year in the first column.

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MISSOURI DIVISION OF INSURANCE
COMMERCIAL LIABILITY CLOSED CLAIM FORM

Part B

Name of Company _____ NAIC No. _____

Class of Business _____ Year Reported _____

1. From Part A, for those claims paid pursuant to a verdict being rendered, fill in the following:*

a. Number of claims in which \$300,000 or more in non-economic damages was paid to one entity _____

b. Total dollar amount paid on the above claims for:

(1) Economic Damages \$ _____

(2) Non-Economic Damages \$ _____

2. From "1" above, fill in the following:

a. Number of claims in which \$500,000 or more in non-economic damages was paid to one entity _____

b. Total dollar amount paid on the above claims for:

(1) Economic Damages \$ _____

(2) ~~Non-Economic Damages~~ \$ _____

3. From Part A, for those claims paid pursuant to a verdict being rendered, fill in the following:

a. Total number of claims in which your insured(s) were assessed punitive damages _____

b. Where your insured(s) were assessed more than \$300,000 in punitive damages:

(1) Total number of claims _____

(2) Total punitive damages assessed in above claims \$ _____

(3) Total indemnity you paid on these claims \$ _____

c. Where your insured(s) were assessed more than \$500,000 in punitive damages:

(1) Total number of claims _____

(2) Total punitive damages assessed in above claims \$ _____

(3) Total indemnity you paid on these claims \$ _____

* - Part "C" of this Closed Claim Form must be filled out on each individual claim paid pursuant to a verdict being rendered in which \$300,000 or more in non-economic damages was paid to one entity.

Part B

This part requires information for claims which were subjected to court jurisdiction and for which a verdict was rendered.

"1" and "2" of Part B should be self-explanatory.

"3" requires information on punitive damages that your insured(s) had to pay. We are also requesting that you include the amount of indemnity you paid on any claims which involved over \$300,000 in punitive damages.

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Part C

Part C must be completed for each claim in "l.a." of Part B.

General Instructions

1. Dates: Use Month, Day, Year
2. State: Use two-letter postal abbreviation
3. Zip: Use first five digits of zip code

Severity Codes

Question "10" requires the use of severity codes for property damage and/or bodily injury. The following codes should be used:

<u>Property Damage</u>	<u>Bodily Injury</u>
0 No Property Damage	0 No Injury
1 Minor Damage	1 Temporary & Minor Injury
2 Major Damage	2 Permanent & Significant Injury
3 Total Property Destruction	3 Death

The remainder of Part C should be self-explanatory.

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