

FAQs and Updates as of February 11,2010

Updates:

We have been alerted to one error and one ambiguity in the Codebook. The error is on the chart on page 9 showing the organization of the four data sets. In the second column representing Data Set #2, the following “Data Categories” are listed.

| |
|-------------------------|
| Subline_Code |
| Policy_Type |
| Occurrence_Limit |
| Annual_Limit |
| Deductible |
| Claims_Made_Year |
| ISO_Specialty |
| FIPS_County_Code |

This list is from an earlier draft. The finalized Codebook *should* have had a much shorter list, i.e.:

| |
|-------------------------|
| ISO_Specialty |
| FIPS_County-Code |

This information on the associated Excel spreadsheet templates is as intended. A corrected version of the codebook will be posted on the web site.

The ambiguity in the Codebook is on page 4, in the middle of the third paragraph, where it indicates “...the Board voted that the data call should start from that calendar year (1997) and proceed through the ensuing phases of the “insurance cycle” in Missouri, up to the present.” To clarify, the period of the Data Call is 1997 to 2008, not 1997 to 2009 or 2010. The year “2008” is used elsewhere in the Codebook.

FAQs:

Question: Can we have an extension of time to comply with the data call?

Answer: The Department needs to complete its analysis of the data collected and report back to the HCSFFB well before the end of the year, so we would prefer companies meet the February 28, 2010 deadline specified in the Codebook. However, if you have the sense that you will be unable to meet this deadline, contact us by email at statistics@insurance.mo.gov, explaining why you might miss the deadline and we will set up a conference call to discuss the issue.

Question: One of our companies no longer writes medical malpractice insurance in Missouri, so we would like to be exempted from the Data Call; what do we do?

Answer: A number of major writers for the period from 1997 to 2008 have either gone insolvent, have been acquired, have been merged into successor entities or have dropped this line of insurance. Because we are trying to provide the Board with a snapshot of premium, loss and exposure data for a significant portion of the recent insurance cycle, we would prefer to receive the data on the inactive or merged entities. Again, if you have a problem in this area, contact us by email and we will set up a conference call to discuss the matter.

Question: We did begin writing medical malpractice coverage in Missouri until recently. How do we handle the years of non-activity?

Answer: It is not necessary to report “zero” or “null” values for the years when there was no activity. However, please discuss this in your answer to Question #13 of the Questionnaire.

Question: Not all of the records requested are computerized, or they are on legacy computer systems; are we required to provide such information?

Answer: Yes, but not to the extent it will constitute an insurmountable hardship to the company. If a company has a limited number of policies or claims in question and the only information on them is in paper form, we ask that you transfer the information manually. If you believe this would represent an unreasonable burden, contact us by email and we will set up a conference call to discuss the issues involved. We are willing to consider deviations from the Codebook if a “workaround” is possible.

Question: We do not use ISO Codes in our underwriting process; how do we respond when the Data Call requires ISO Specialty Codes?

Answer: Send an email or fax (to 573 526-4839 to the attention of Mark Doerner) of the list of codes you do use. We will compare it to the ISO Code and suggest an approach. If you have changed your coding system over time, include the various versions and the time periods they were in use.

Question: How do we enter information for “Claims Made Year” if we are reporting on an occurrence policy?

Answer: Put a zero (“0”) in the cell or leave it blank.

Question: How do we report the exposure for a part-time provider, say, in a locum tenens situation?

Answer: Normally, a policy provides 12 months of coverage for a doctor or other provider. In a part-time situation, please round the exposure to the nearest number of months of coverage provided.

Question: Page 23 of the Codebook provides code numbers for reporting “basic” or “excess” coverage. What if the same policy provides both basic and excess coverage?

Answer: Report it as “basic” coverage only, but report the combined basic and excess premiums and limits.

Question: Do we include claims for professional disciplinary actions?

Answer: Generally speaking, the Data Call asks that you treat as a claim those situations where you pay an indemnity or ALAE payment or set up an indemnity of ALAE reserve. Presumably, your medical malpractice policy provides incidental coverage for professional disciplinary actions. If your policy provides such coverage, then include such payments in your responses to the data call.

Ideally, because these are not your typical “medical malpractice” claims, it might be useful for us to be able to identify them in the data and exclude them from the analysis, if that seems appropriate. If you can identify these types of payments in your data and “flag” them somehow, perhaps with extra information in the “Claim Identifier” Basic Information field, such as by adding suffix to the identifier, like “PD” for professional discipline, that would be helpful. Either way, discuss your treatment of these claims in your response to Question #13 of the Questionnaire.

Question: Do we need to report information on dentists.

Answer: Because the HCSFFB has not determined that the Data Call should exclude dentists, they should be included in your response.

If you have other questions that are not discussed above and have not been adequately addressed by the Department, email us and we will work on them. (Please put “HCSFFB Question” in the subject line of the email.) We are currently working on a number of such issues. As we develop answers, we will respond *en mass* to the contact persons with an email that has “HCSFFB FAQs and Updates” in the subject line. We will also update the FAQs and Updates portion of the HCSFFB Data Call web site.