

MISSOURI COMMERCIAL LIABILITY PROFITABILITY REPORTING FORM

INSTRUCTIONS

GENERAL

Every company writing commercial casualty business in Missouri shall annually file on or before April 15th its Missouri commercial liability experience as described in these instructions.

If your company does not write a particular line that is shown on the report, please type a zero in the columns. If there is no data for any of these specified lines to report, then your company needs not file. If your company filed a report last year and this year you have a none report, please submit an email to statistics@insurance.mo.gov stating this.

Only report commercial casualty business. Exclude any personal lines experience which might be reported on line 17 of the annual statement.

The liability (or casualty) portion of commercial multi-peril policies reported on line 5 of the annual statement should be reported for the appropriate category on the profitability form (e.g. any commercial automobile should be reported in category I).

Do not include any involuntary (JUA) experience.

In the case that the business classifications specified on the prescribed report forms are not identical to the company's classifications, each company will be required to make the most appropriate correspondence between classifications. In no instance should the experience for the same risk be duplicated in two separate classifications. Data should be assigned to the most specific class.

In describing the sub-classes, we have used ISO codes for simplification. Use your company codes which best correspond to those used by ISO.

Columns 1 through 5 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.

CLASSES OF BUSINESS

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 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 15 of the annual statement and should closely reflect the same numbers.

2. Truckers (Ia)

This should include all truckers liability written in Missouri. Local (Ia1) and Long Haul (Ia2) must be separated. Intermediate range truckers liability should be combined with long-haul.

NOTE: The data reported for Truckers (Ia) should be greater than or equal to the sum of Local (Ia1) and Long-Haul (Ia2).

3. Garage Liability (Ib)

This should be 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.

NOTE: The data reported for Commercial Automobile Liability (I) should be greater than or equal to the sum of Truckers (Ia) and Garage Liability (Ib).

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

This should include all experience reported for line 17 on page 15 of the annual statement, excluding products liability, environmental impairment (EIL) or any of the professional lines listed in IV of this report. Mutli-peril policies are included in this as well.

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

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

NOTE: The data reported on Governmental (IIa) should be greater than or equal to the sum of Schools (IIa1), Water/Sewer Districts (IIa2) and Municipalities (IIa3).

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.

NOTE: The data reported for Contracting or Servicing (IIB) should be greater than or equal to the sum of Pest Control (IIB1) and Asbestos Removal (IIB2).

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.

NOTE: The data reported for Mercantile (IIc) should be greater than or equal to the sum of Liquor Liability (IIc1), Machine & Equipment Dealers (IIc2) and Other Retail or Wholesale Stores (IIc3).

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 with the following exceptions:

Not all sub-categories under Miscellaneous (IId) are found under codes 40000 through 49999; however, for each of the sub-categories (IId1 through IId4) report its experience whether it falls in this range or not.

The experience for Miscellaneous (IId) should reflect only what would be found under ISO codes 40000 through 49999 (or your equivalent).

NOTE: The data reported for Miscellaneous (IId) should be greater than or equal to the sum of Amusement & Recreational (IId1), Day Care Centers (IId2), Apartment & Condominium (IId3) and Hotels & Motels (IId4).

NOTE: The data reported for Liability Other Than Auto (General Liability) (II) should be greater than or equal to the sum of Governmental (IIa), Contracting or Servicing (IIb), Mercantile (IIc) and Miscellaneous (IId).

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, IVb, IVc, IVd)

For the general category IV, include all professional liability, excluding those classes covered by Chapter 383 (medical malpractice, legal malpractice and real estate malpractice).

Professional liability experience should include errors & omissions coverage or any other coverage which provides professional liability protection for each or any of the professional listed.

NOTE: The data reported for Professional Liability (Other Than Medical) (IV) should be greater than or equal to the sum of Architects (IVa), Veterinarians (IVb), Insurance Agents/Brokers (IVc) and Directors & Officers (IVd).

OTHER INSTRUCTION

1. Fill out a Closed and Outstanding Claim Form – Part A for each of the classes/sub-classes listed below (marked on the profitability report with an asterisk (*)):

Local Truckers
Long-Haul Truckers
Garage Liability
Schools
Water/Sewer Districts
Municipalities
Pest Control
Asbestos Removal
Liquor Liability
Machine & Equipment Dealers
Other Retail & Wholesale Stores
Amusement & Recreational
Day Care Centers
Apartment & Condominium
Hotels & Motels
Architects & Engineers
Veterinarians
Insurance Agents/Brokers
Directors & Officers

INSTRUCTIONS FOR COMPLETING THE PART A COMMERCIAL LIABILITY CLOSED AND OUTSTANDING CLAIM FORM

A Part A Closed and Outstanding Claim Form must be submitted for each of the asterisked classes/sub-classes of business, on the Commercial Liability Profitability Reporting Form for which your company reported experience. This report is a summary of claims closed during the year and the outstanding claims by the year the claims were incurred (accident year).

The handling of partial payments on outstanding claims has been a major area of confusion. Any partial payment should be handled as if it were still an outstanding claim and the (partially) paid amount should not be included in the reporting of closed claims until full payment is made. For this reason, an additional column under outstanding claims is to enter partial payments.

YEAR INCURRED

Label each year separately. If over 20 years, use earliest year & before. For example, in reporting data for 2014, the earliest date shown should be 1995 or before.

CLAIMS CLOSED

The amount paid and number of claims should not include those claims for which a payment has been made, but there remains an outstanding reserve (i.e. a partial payment has been made).

1. Number of Claims Paid

The number of claims that meet all of the following criteria:

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

2. Number of Claims Closed without Payment

The number of claims which meet all the following criteria:

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

3. Dollars Paid

The dollars that were paid on the claims that:

- a) Were incurred in the 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). All partially paid losses fall in this category.

1. **Number of Claims Unpaid Year End**

The number of claims that were:

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

2. **Dollar Amount Reserved Year End**

Report the dollar value for the loss reserves remaining at the end of the report year, on the unpaid and partially paid claims, that were incurred in the year in the first column.

3. **Dollars Paid in Partial Payments**

Report the dollar value of the total amount paid during the year reported:

- a) On the claims that remain open (still have an outstanding reserve) at year end, and
- b) Were incurred in the year in the first column.

**EXAMPLE OF PART A CLOSED CLAIM REPORT WHEN REPORTING
PARTIAL PAYMENT OF AN OUTSTANDING CLAIM**

The following is a simplified example of one claim over a period of time and how that claim should be reported. This is merely an example of one claim. The Missouri Department of Insurance is not interested in individual claims. Each company is expected to track claims as shown below, but the report submitted should include only the cumulative column totals for all claims.

In 1984, insured A suffers a loss; as a result, insurer B sets up an initial reserve of \$100,000 to pay this loss.

Year reported: 1984

<u>Year Incurred</u>	<u>Closed</u>		<u># of Claims Unpaid Year End</u>	<u>Outstanding</u>	
	<u># of Claims Paid</u>	<u>Dollars CWP Paid</u>		<u>\$ Amt Reserve Year End</u>	<u>\$ Paid In Partial Payments</u>
1984	0	0 0	1	100,000	0

In 1985, insurer B pays \$75,000 to insured A, but does not close out the outstanding reserve in anticipation of further loss payments.

Year reported: 1985

<u>Year Incurred</u>	<u>Closed</u>		<u># of Claims Unpaid Year End</u>	<u>Outstanding</u>	
	<u># of Claims Paid</u>	<u>Dollars CWP Paid</u>		<u>\$ Amt Reserve Year End</u>	<u>\$ Paid In Partial Payments</u>
1984	0	0 0	1	25,000	75,000

In 1986, insurer B pays the remainder of the reserve to insured A and the claim is closed.

Year reported: 1986

<u>Year Incurred</u>	<u>Closed</u>		<u># of Claims Unpaid Year End</u>	<u>Outstanding</u>	
	<u># of Claims Paid</u>	<u>Dollars CWP Paid</u>		<u>\$ Amt Reserve Year End</u>	<u>\$ Paid In Partial Payments</u>
1984	1	0 100,000	0	0	0

INSTRUCTIONS FOR COMPLETING THE PART B COMMERCIAL LIABILITY CLOSED CLAIM FORM

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

Please fill in the full name of the company, the NAIC number (four digit group code and five digit company code), the class of business being reported (include its identification number from the profitability report, ex: 1a1) and the year reported.

Item numbers 1 and 2 of the Part B should be self-explanatory.

Item number 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.

INSTRUCTIONS FOR COMPLETING THE PART C COMMERCIAL LIABILITY CLOSED CLAIM FORM

Part C must be completed for each claim in item number 1.a. of Part B.

Please fill in the full name of the company, the NAIC number (four digit group code and five digit company code), the class of business being reported (include its identification number from the profitability report, ex: 1a1) and the year reported.

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

Property Damage

- 0 – No Property Damage
- 1 – Minor Damage
- 2 – Major Damage
- 3 – Total Property Destruction

Bodily Injury

- 0 – No Injury
- 1 – Temporary & Minor Injury
- 2 – Permanent & Significant Injury
- 3 – Death

The remainder of Part C should be self-explanatory.