# **FACILITY ASSOCIATION**

# **Alberta Risk Sharing Pool**

# **Procedures Manual**

**October 1, 2004** 

# ALBERTA RISK SHARING POOL PROCEDURES MANUAL

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Please note: This Manual has been developed to assist member companies in their interactions with the Alberta Risk Sharing Pool. In the event of discrepancies between the Manual and the Facility Association Plan of Operation, the Plan of Operation

shall take precedence.

# I. INTRODUCTION

# A. Overview of The Alberta Risk Sharing Pool (Alberta Pool)

The Board of Directors of the Facility Association, for both industry and political reasons, deemed it necessary to develop a mechanism that would depopulate the Facility Association. It was their wish to develop a mechanism that would not require new legislation and could be tied to present legislation in Alberta so that all Alberta insurers, brokers and agents would be required to participate in the programme.

The Board developed amendments to the Plan of Operation of the Facility Association that would create a risk sharing pool as a part of the Facility Association.

The present Facility Association Administration, including the Board of Directors, Officers & Committees can administer the Alberta Pool.

For Private Passenger automobile, the Facility Association Market Availability Plan has three components in Alberta: a Risk Sharing Pool, a Residual Market Segment and a Supplementary Market Availability Plan.

Private Passenger risks that do not fall within the description of a Residual Market risk are not permitted to be written by Facility Association Servicing Carriers. Agents and brokers are required to place such risks with their voluntary markets. Such business is to be written as regular business by the writing company, and issued at their normal rates. The writing company has the option of keeping such business for their own account or transferring it to the Alberta Pool subject to the appropriate transfer condition. If transferred to the Alberta Pool, this action must be invisible to the consumer.

The Alberta Pool applies only to personal use, private passenger vehicles. Risks are written by members at their normal premium levels, and transferred at 100%.

Members will share in the results of the Alberta Risk Sharing Pool in the proportion that the total of its "voluntary private passenger non-fleet third party liability direct earned car years" not ceded to a risk sharing pool is of the total of all "voluntary private passenger non-fleet third party liability direct earned car years" not ceded to a risk sharing pool by all members for the province.

Members transfer limit in the Alberta Pool for grid risks is unlimited and for non-grid risks is 4% of the previous year's total voluntary private passenger non-fleet third party liability Direct Written Car Years for such jurisdiction in the immediately preceding calendar year less the number of grid risk private passenger non-fleet third party liability direct written car years ceded to the Alberta Risk Sharing Pool by it in the same period.

The member shall be entitled as a result of the transfer of premium to an expense allowance in an amount equal to a percentage of the written premium applicable to the transferred coverages, such

percentage for use during a calendar year to be determined by the Board in consultation with the Superintendent of Insurance.

Such allowance is to settle all expenses incurred by the member including acquisition costs, operating costs and loss adjustment costs, but not including premium taxes and professional fees (such professional fees to be stipulated in the Alberta Risk Sharing Pool Claims Guide with compensation to be as therein directed).

### **Additional Information:**

- to effect transfers to the Alberta Pool, two methods of transmitting data are available;
- an assignment of a Project Manager facilitates Alberta Pool communication with members;
- all of the data necessary to comply with any of the distribution procedures (sharing mechanism) must be reported to the Statistical Agency (IBC);

# **B.** Management Structure

The Risk Sharing Pool is administered under the umbrella of the Facility Association which in turn is monitored by insurance regulators in nine jurisdictions in Canada.

The Board of Directors of the Facility Association is composed of 10 senior insurance executives representing insurance companies licensed to write automobile insurance in Canada, and three brokers representing the interest of brokers in three geographic areas - Alberta and the Territories, Ontario, and the Atlantic provinces. Company representatives are selected from both Servicing and Non-Servicing Carriers, and from Direct Writers as well as from companies that write business only through brokers. The Board administers the activities of the Facility Association through a management team and the designation of committees, each of which has a chair and includes representatives of member companies and broker associations with knowledge particular to the purpose of the committee. Committees may establish sub-committees to deal with specific technical or detailed issues.

# C. Claim Responsibilities

It is the responsibility of members to investigate, defend and settle claims or suits as they would in the absence of the Alberta Pool. The Facility Association has the right and must be given the opportunity of associating with members in the defence of any claim or suit and must receive full co-operation.

The Alberta Pool contributes to the loss adjustment cost in connection with internal costs and external loss adjustment costs other than specified professional fees through payment of the amount determined on a basis established by the Board of Directors. Members are reimbursed in connection

amount determined on a basis established by the Board of Directors. Members are reimbursed in connection with expenses for professional fees as outlined under Section Definitions of Claim Transfer Fields (see Appendix C-1).

# **D.** Claims Reporting

The Facility Association Plan of Operation - Operating Principles contains the following compliance requirements for claims reporting:

- 1. A member shall within twelve months from the date it receives a claim under a policy that has been transferred to the RSP, including any loss for which settlement expenses would be incurred by the member without there being any claims payment, report to the Association that it will be claiming against the RSP in connection therewith.
- 2. If a member fails to comply with this requirement, the Association management may require the member to remove the claim from the RSP due to late reporting. In any such case the member shall have the right to appeal such decision to the Claims Committee and to the Board.

# E. Auditing Of Members

The Facility Association may audit the records of any member relating to the subject matter of the Plan of Operation which includes the Alberta Risk Sharing Pool, and may establish what policies, records, books of account, documents and related material it deems necessary to carry out its functions. Such material must be provided by the members in the form and with the frequency reasonably required by the Association.

Retention of records must follow the Statutory Requirements as set out for Insurance Companies at the Provincial or Federal level. In addition, records supporting the transmission of data to the Alberta Risk Sharing Pool shall be retained for at least a two year period.

# F. More Information

More information about Facility Association can be found at www.facilityassociation.com.

# II. COMMUNICATION WITH ALBERTA RISK SHARING POOL

## A. Distribution of Manuals

The Facility Association strongly recommends the designation of a Alberta Pool Project Manager within your organization. FA maintains for the Alberta Risk Sharing Pool a Mailing List of the Project Managers' names and addresses for your Head Office, in addition to a CEO Mailing List for your Head Office. To add to or to change these mailing lists, please write to the Vice President, Finance & Operations at the Facility Association:

Vice President, Finance & Operations Facility Association 151 Yonge Street, 18<sup>th</sup> Floor Toronto, Ontario M5C 2W7

Fax: (416) 868-0894

Email: mail@facilityassoc.com

The Alberta Risk Sharing Pool Manual is available on the Facility Association website <a href="https://www.facilityassociation.com">www.facilityassociation.com</a>.

# **B.** Distribution of Bulletins

FA maintains a Project Manager and a CEO name and address mailing list, as described above. Each person on these mailing lists receives a copy of each general bulletin.

# C. Distribution of Reports

The Alberta Pool System maintains, at the request of your Head Office, one branch Mailing Address per BRANCH CODE for the mailing of Reports to branch, service or claims offices.

These branches receive:

- Premium Edit Listing for the corresponding BRANCH CODE (refer to 'Premium Edit Listing')
- Premium Bordereau for the corresponding BRANCH CODE (refer to 'Premium Bordereau')

- Claims Edit Listing for the corresponding BRANCH CODE (refer to 'Claims Edit Listing')
- Claims Bordereau for the corresponding BRANCH CODE (refer to 'Claims Bordereau')
- Open Claims Listing for the corresponding BRANCH CODE (refer to 'Open Claims Listing')

In the event you have not chosen to receive Branch Reports, your Project Manager receives these reports. Your Project Manager also receives the following reports.

- Transfer Limit Report
- Operational Report
- Management Information Report
- Quarterly Reports
- Year End Reports

# D. Questions on Interpretation of Bulletins & Manuals

Staff at the Facility Association are willing and eager to assist you in establishing the smooth operation of the Alberta Risk Sharing Pool. Please write to them according to their area of expertise:

President and CEO Vice President, Finance & Operations Vice-President, Underwriting & Claims

# E. Questions on The Transfer of Risks or Claims

With respect to the transfer of data, batches, errors or Edit Listings and Bordereau, either via manual data entry via the FACT application or data file upload via the FACT application methods, please refer to Sections IV through VIII of this manual.

Please write or fax any further questions to the Vice President, Finance & Operations at the Facility Association, as described in A.

# F. Questions on Reports

With respect to Reports dealing with the Transfer of Data, please refer to the following sections:

- Premium Edit Listing
- Premium Bordereau

- Claims Edit Listing
- Paid Loss Bordereau
- Open Claims Register

However, with respect to Reports dealing with Accounting and Sharing, please refer to Part II. If, after referring to Part II, you have any questions, please write or fax the Vice President, Finance & Operations at the Facility Association, as described above.

# G. Special Considerations/Disputes/Appeals

- Special Requests for Original Dispatch Date or TRANSFER DATE: Please fax or write any such requests to the Vice President, Finance & Operations at the Facility Association.
- **Disputes regarding Audits or Reports or Appeals:** Please fax or write to the President and CEO at the Facility Association.

# **RISK ELIGIBILITY**

# A. All Applicants Must Be Able To Obtain Automobile Insurance

This section outlines the criteria used to determine the eligibility of private passenger vehicles for transfer to the Risk Sharing Pool for the following:

- New business
- Renewals
- Portfolio transfers
- Policy changes
- Mid term transfers with no policy change

### **BACKGROUND**

The Insurance Act places the obligation on the government-approved insurance plan (Facility Association), through its Plan of Operation, to provide a contract of automobile insurance to owners and licensed drivers of motor vehicles, who but for the Plan, would be unable to obtain such insurance. Every insurer writing automobile insurance in Alberta is a member of the Facility Association and must abide by the Plan of Operation.

Qualification for the Facility Association Residual Market (now referred to as the Residual Market segment of the Market Availability Plan) is based on specific, objective criteria. Any risk not meeting one or more of these criteria will not be written through Residual Market effective October 1, 2004 or renewed through Residual Market effective October 1, 2005.

NOTE: Throughout this section, the Risk Sharing Pool shall be referred to as the RSP.

### **MANDATE**

You and each member of the Facility Association must ensure that every applicant for automobile insurance receives a contract of insurance in one of these ways:

- Once you have accepted any private passenger risk (even a risk that qualifies for Residual Market), you may:
  - write the contract solely for your own account; **OR**
  - write the contract and transfer the risk to the RSP (in accordance with the provisions of the Plan).
- For a risk to be written through the Residual Market segment, one or more of the following criteria must be met:
  - A listed driver or vehicle with 3 or more at-fault claims occurring and assigned in the preceding 5 years
  - A listed driver with 5 or more convictions (any combination of traffic safety and serious traffic safety) in the preceding 3 years
  - A listed driver with 2 or more serious traffic safety convictions in the preceding 3 years
  - A listed driver with 1 or more criminal code convictions in the preceding 3 years
  - A listed driver with 1 or more fraud convictions related to automobile insurance in the preceding 10 years
  - A listed driver with an international licence
  - An applicant who owes an outstanding balance to an insurance company the
  - A vehicle that is being moved from one jurisdiction to another and is written on a short-term basis normally 10 days in duration
  - A vehicle registered in Alberta but located and operated outside Canada on a permanent basis
  - Vehicles with substantial after market modification for enhanced speed or racing by either 1 of:
    - (a) Turbocharger
    - (b) Supercharger
    - (c) Nitrous system **OR**

### 2 or more of:

- (d) Interior roll cage
- (e) Modification to ground clearance
- (f) Modification to tire circumference, or the use of tires especially designed for racing or speed (This does not include the application of snow tires.)
- (g) Any other engine modifications, including engine swapping, designed to enhance speed

# B. Risk Eligibility for the Risk Sharing Pool

A risk is eligible for the RSP if it meets all of the following criteria:

- 1. THE RISK IS REQUIRED UNDER THE INSURANCE ACT TO BE INSURED IN ALBERTA AND THE VEHICLE IS REGISTERED IN ALBERTA AS PER THE HIGHWAY TRAFFIC ACT.
- 2. THE VEHICLE IS A PRIVATE PASSENGER VEHICLE DEFINED IN THE AUTOMOBILE INSURANCE PREMIUMS REGULATION AS:

A motor vehicle not weighing more than 4500 kg that is used for:

- Pleasure OR
- Driving to or from work or school, OR
- Business purposes, including farming operations (See NOTES at end of Point 2.) but does not include
- A motorcycle, power bicycle or moped
- A vehicle used for commercial purposes, including, but not limited to:
  - a vehicle used for transporting individuals for compensation, delivery of goods, courier or messenger service, parcel delivery, meal delivery or driver training
  - a vehicle rated under a fleet formula
  - a short-term lease or rental vehicle,
  - a funeral vehicle.
  - a vehicle held for sale or used for demonstration or testing
- An emergency vehicle
- A recreational vehicle
- An antique vehicle registered as an antique vehicle or
- An all terrain vehicle, snow vehicle, miniature motor vehicle or any other similar offhighway vehicle

**Notes:** Business purpose does not include any use listed under Commercial or Public Vehicle Sections even though Private Passenger rates are used to determine the premium. Pickup trucks, vans, and other commercial type vehicles rated as 'farmer' i.e. rated as Class 33 or Class 34 are not eligible for the RSP. If these vehicles are rated as private passenger vehicles reflecting farm use and there is another farm truck rated commercially, they are eligible for the RSP.

# 3. THE RISK IS <u>INSURED</u> FOR AT LEAST THE MINIMUM MANDATORY ROAD COVERAGE.

NOTE: Once a vehicle with road coverage is in the RSP, temporary removal of all coverage except Comprehensive / Specified Perils or suspension of coverage using END 16 will not disqualify the risk from the RSP. That vehicle may remain in the RSP until the next renewal. If coverage is not re-added at that renewal, the vehicle is no longer eligible for the RSP.

### 4. THE RISK IS EITHER:

(a) A GRID RISK RATED IN ACCORDANCE WITH RATES APPROVED BY REGULATION AND CONSTITUTING PART OF THE INSURANCE ACT

OR

(b) A NON-GRID RISK RATED AND CLASSIFIED IN ACCORDANCE WITH FILED OR APPROVED RULES AND RATES ON FILE WITH ALBERTA AUTOMOBILE INSURANCE RATE BOARD.

### I. System Generated Rates

The application of system rounding rules, waiving of additional premiums below a certain limit on mid-term changes and other calculation differences resulting from generated rates are acceptable deviations from the published, filed rates where such rules form part of the insurer's rating rules and algorithms on file with the Alberta Automobile Insurance Rate Board.

### II. Data Entry Mistakes.

Any errors in the recording of a premium or classification which results from an obvious transcription **error** must be addressed immediately, but will not result in the risk being deemed ineligible. The onus is on the member to substantiate any such error as being clerical in nature.

### III. Incorrect Classification / Rating.

Any deviation from the filed classification rules and/or rates which does not result from (I) system application or (II) proven data entry mistakes is considered an incorrect classification and/or rate and makes the risk ineligible for transfer.

Note: A risk, not eligible for the grid, considered by a member to be part of a "portfolio transfer arrangement" that has been treated as renewal business to the insurer will not be considered to have been incorrectly classified / rated as long as the member has not deviated from the normal rules and rates contained in the member's rating manual at the time of transfer.

### 5. THE POLICY TERM TRANSFERRED DOES NOT EXCEED 12 MONTHS.

**NOTE:** At the end of the term transferred, the risk may be transferred for a further term in the RSP (again not exceeding 12 months)

# 6. YOU HAVE ORDERED PRIOR EXPERIENCE REPORTS AND MOTOR VEHICLE REPORTS (MVR).

Report Ordering Frequency and Criteria Table is located immediately after the details on MVR ordering.

**NOTE:** During the first year of operation of the RSP, October 1 2004 to October 1 2005, it will not be necessary to order current MVRs, or a current Prior Experience Report, if you are transferring from your own voluntary market book. You may use the information you have on file; however, new MVRs must be ordered on the next renewal in order for the risk to remain eligible for transfer to the RSP.

If the risk is new business, then the Prior Experience Report and MVR must be ordered before the risk can be transferred.

### 1) PRIOR EXPERIENCE REPORTS:

A report must be ordered on all risks, even those claiming to have never been insured or licensed before, or coming from outside the province or country. If you order experience on the named insured, the principal operator and any other driver, you have met the requirement. Formats include electronic reports, letters or telephone calls (at the option of the member) on the following basis:

- New business to insurer (including portfolio transfers accepted under new business rules):
  - Prior experience must be ordered.
- Existing business to insurer or an insurer that is part of a group of companies owned and operated by the same company where the insurer transferring the risk to the RSP can confirm policy and claims information with an associated company as described above. (Exisiting business includes portfolio transfers accepted under renewal rules and documented as such):
  - If the risk has been with the insurer continuously for the previous five (5) or more years, no report is required.
  - If the risk has been with the insurer for a period for **less** than five (5) years immediately preceding the current term.
    - and a prior experience report has been ordered during that period, a new report is not required.
    - and a prior experience report has not been ordered during that period, a new report is required.

### • Existing RSP business to insurer:

- If prior experience was not confirmed when the risk was initially transferred to the RSP, or at a previous renewal to the RSP, a new report must be ordered now.

### Change of Risk:

- A new prior insurance report is required on every driver newly added to the policy.

### 2) MOTOR VEHICLE REPORTS (MVR)

### • New Business to the RSP

Must be ordered on all operators listed on the vehicle(s) being ceded within 90 days prior to the risk transfer date or within 15 days, of the transfer effective date.

### • Renewal to the RSP

Must be ordered on all operators listed on the vehicle(s) being ceded within 90 days prior to the transfer effective date unless MVRs have been ordered on the 6-month renewal preceding this transfer.

e.g. Policy renewed October 5, 2004 for 6 months. MVRs on all drivers were ordered August 2004.

Policy is scheduled to renew April 5, 2005. Since there is no change in drivers, no new MVRs are ordered.

### • Mid-term to the RSP with no Policy Change

Must be ordered on all operators listed on the vehicle(s) being ceded within 90 days prior to the transfer effective date or within 15 days of the transfer effective date.

### Mid-term to the RSP with Policy Change

Must be ordered on the driver(s) associated with the policy change within 90 days prior to the transfer effective date or within 15 days of the transfer effective date.

### For example:

1/10/2004 - effective date of policy with 2 vehicles and 2 drivers (A and B)

15/12/2004 - vehicle 3 with drivers C and D added to policy

20/12/2004 - vehicle 3 only transmitted to the RSP with transfer effective 15/12/2004

20/12/2004 - MVRs ordered on drivers C and D

### 2) MOTOR VEHICLE REPORTS (MVR) (continued)

- (a) Permanent Alberta Licence:
  - MVR must be ordered in accordance with the Report Ordering Frequency and Criteria Table.
- (b) Permanent Licence from another Canadian jurisdiction:
  - MVR must be ordered from that jurisdiction if possible, or there must be shown
    evidence of a request to the broker or insured to directly obtain an MVR from
    that jurisdiction and submit it immediately.
- (c) Permanent Licence from jurisdiction outside Canada or an International Licence:
  - File must be marked for abeyance, and an MVR ordered as soon as an Alberta licence is obtained.
- (d) Learner's Licence:
  - Where it is known that a driver has a learner's licence, the file must be marked for abeyance and an MVR ordered as soon as a Probationary licence is obtained.
- (e) Probationary Licence:
  - Follow the procedure for Permanent Alberta Licence. [(a) above].
- (f) Alberta driver's licence not on insurer's file:
  - File must be marked for abeyance to obtain the Alberta driver's licence number and an MVR must be ordered in accordance with the schedule outlined on the next page.
  - In all cases, if the driver does not have a Probationary or Permanent Alberta driver's licence on the subsequent renewal, continue to mark the file for abeyance at each renewal until the appropriate licence is obtained and an MVR is ordered.

### REPORT ORDERING FREQUENCY AND CRITERIA TABLE

For New, Renewal, and Portfolio Transfer business, order MVRs and Prior Experience Reports for all drivers listed on the ceded vehicle(s). For all other situations, order both on the specific driver involved in the transaction.					
Transaction Type & Code	Transfer to RSP is effective	MVR	Prior Experience Report		
New Business transmitted within 15 days of inception.  Code A  New Business transmitted beyond 15 days of inception.	Inception date of policy.  One day after transmittal date.	MVR is acceptable if ordered within 90 days prior to transfer effective date. Otherwise it must be ordered within 15 days after approval signature received.	Prior experience report is acceptable if ordered within 90 days prior to transfer effective date. Otherwise it must be ordered within 15 days of transfer effective date		
Code D  Renewal Business transmitted on or before renewal effective date. Codes B & C  Renewal Business	Renewal effective date.  One day after	MVR must be ordered within 90 days prior to transfer effective date.	If no prior experience report is on file and fully documented, a new report must be ordered within 15 days of transfer effective date		
transmitted after renewal effective date. Code D Additional Vehicles –	transmittal date.  Endorsement	For drivers newly added with the	For drivers newly added with the		
transmitted within 15 days of endorsement effective date. Code A	effective date.  **See next page & refer to Sect. VI – Risks/Prem	additional vehicle, MVR is acceptable if ordered within 90 days prior to transfer effective date. Otherwise it must be ordered within 15 days of transfer	For drivers newly added with the additional vehicle, prior experience report is acceptable if ordered within 90 days prior to transfer effective date. Otherwise it must be ordered within 15 days of transfer effective date.		
Additional Vehicles – transmitted beyond 15 days of endorsement effective date. Code D	One day after transmittal date. **See next page and refer to Sect VI –Risks/Prem	effective date.			
Mid-Term other than late transmitted business per Code B, C and D above. Code D	* *See next page & refer to Sect. VI - Risks/Prem	See above for newly added drivers.	If no prior experience report is on file and fully documented, a new report must be ordered within 15 days of transfer effective date		
Mid-term transmittal of class 05 or 06 driver where vehicle is already in RSP. Code E Transmit at same time as	Endorsement effective date.	MVR is acceptable for driver(s) newly added if ordered within 90 days prior to transfer effective date. Otherwise it must be ordered within 15 days of transfer	If no prior experience report is on file and fully documented, a new report must be ordered within 15 days of transfer effective date		
vehicle within 15 days of addition date. Code A. Transmit at same time as vehicle after 15 days of addition date. Code D		effective date.			
<ul> <li>For other than annual policies, MVRs must be ordered every 12 months.</li> <li>Prior experience reports need not be ordered if the risk has been insured with you for the past 5 years.</li> <li>Portfolio transfers accepted under new business rules follow new business criteria.</li> </ul>					
<ul> <li>Portfolio transfers accepted under renewal rules and documented as such follow renewal criteria.</li> <li>For all portfolio transfers, use transaction code B or D.</li> </ul>					

# TRANSFER CODES

This chart of typical transactions will assist you to determine the proper code.

TRANSACTION	CODE	TRANSFER EFFECTIVE DATE (when the transaction is actually in the RSP)
Addition of Class 05/06 and vehicle on the same date transmitted beyond 15 days of the endorsement effective date	D	1 day after transmittal
Addition of Class 05/06 and vehicle on the same date transmitted within 15 days of the endorsement effective date	A	end't effective date
Addition of Class 05/06 when vehicle is already in the RSP	Е	end't effective date
Addition of coverage when vehicle is already in the RSP	9	end't effective date
Addition of driver when vehicle is already in the RSP and new driver's premium is included in vehicle class premium	9	end't effective date
Addition of new driver and vehicle on the same date transmitted beyond 15 days of the endorsement effective date	D	1 day after transmittal
Addition of new driver and vehicle on the same date transmitted within 15 days of the endorsement effective date	A	end't effective date
Addition of vehicle transmitted beyond 15 days of the endorsement effective date	D	1 day after transmittal
Addition of vehicle transmitted within 15 days of the endorsement effective date	A	end't effective date
Cancellation of policy	3	cancellation effective date
Change of existing coverage e.g. limits or deductibles when vehicle is already in the RSP	9	end't effective date
Deletion of coverage	3	end't effective date
Deletion of vehicle	3	end't effective date
Mid-term transmittal of vehicle	D	1 day after transmittal
New business transmitted to the RSP beyond 15 days of inception	D	1 day after transmittal
New business transmitted to the RSP within 15 days of inception	A	inception date
Portfolio transfer transmitted after inception date	D	1 day after transmittal
Portfolio transfer transmitted on or before inception date	В	inception date
Removal of vehicle from the RSP and retained on the insurer's book	3	1 day after transmittal
Removal of vehicle from the RSP in conjunction with an endorsement	3	end't effective date
Renewal transmitted after renewal effective date	D	1 day after transmittal
Renewal transmitted on or before renewal effective date	В	renewal effective date
Renewal transmitted on or before renewal effective date when current term is in the RSP	С	renewal effective date

### **Further Explanation:**

- 1. New business to an insurer (regardless of where previously written regular market, RSP, or Facility Association) must be transmitted to the RSP using TRANSACTION CODE A or D.
- 2. Eligibility for transfer is determined according to legal conditions under statute or regulation in effect at the following times:
  - a) New business original policy inception date;
  - b) Endorsements (material change to risk e.g. addition of vehicle) endorsement effective date:
  - c) Endorsements (no material change to risk e.g. correction of vehicle description original policy inception date or the renewal transfer date as appropriate);

Once validly transferred into the RSP, subsequent changes which would change the risk's eligibility status mid-term i.e. change to a commercial or recreational vehicle will require that the risk be removed from the RSP

d) Renewals - date the renewal is processed AND transmitted to the RSP - For all portfolio transfers, use TRANSACTION CODE B or D.

### **DOCUMENTATION**

Appropriate documentation/evidence to establish eligibility or report ordering includes the following minimum requirements:

### PRIOR EXPERIENCE REPORTS

- For both 'hit' and 'no-hit', notation on file must show one of the following:
  - AutoPlus ordered (date) on (name of driver) details of claims
  - Experience letter sent (date) on (name of driver) details of claims
  - Phone call made to (<u>prior insurer</u>) (<u>date</u>) on (<u>name of driver</u>) and spoke to (<u>name</u>) details of claims
  - Confirmed with (associated company) (date) on (name of driver) details of claims

Many systems order these reports automatically, or on request and show the result immediately.

NOTE: A memo showing 'no hit', without an order date, or no notation, meaning 'no hit' is not acceptable documentation.

### **MVR**

- For each MVR, notation on file must show:
  - MVR(s) ordered, order date, and either driver's licence number or driver's name
  - When received, MVR search date, dates and types of convictions, licence suspensions, class and status of driver's licence

NOTE: If a search date is documented, there is no need to document the corresponding order date.

### **GENERAL**

To coincide with the "Sunset Clause", members must maintain a record of their documentation, whether hard copy or electronic memo, for at least two years and 90 days following transfer date. It is suggested that members use a 3-year time frame.

### SUBSEQUENT INFORMATION

### 1. NEW BUSINESS

After the policy effective date and subsequent to the transfer of a risk to the RSP, the member receives information of a situation that existed prior to the policy effective date that affects the initial classification/ rating of the risk (such as an undisclosed use of the vehicle or undisclosed prior claims/convictions).

- (a) If the information does not make the risk ineligible for transfer, the risk may remain in the RSP provided that the member amends the premium appropriately and reports the premium and/or statistical information to the RSP.
- (b) If the risk is no longer eligible for the RSP and the member is not retaining the risk, the member must remove the risk from the RSP effective no later than 21 days from the date the information was received by the member.
- (c) If the risk is no longer eligible for the RSP and the member is retaining the risk, the member must remove the risk from the RSP back to the date the information was received by the member.

### 2. RENEWALS AND PORTFOLIO TRANSFERS ACCEPTED ON RENEWAL BASIS

Eligibility for transfer to the RSP is determined at the date the renewal/portfolio transfer is processed and transmitted to the RSP.

- A. If there is a change in the risk e.g. change in principal operator after the renewal has been released and before the renewal effective date:
  - (a) If the information does not make the risk ineligible for transfer, the risk may remain in the RSP provided that the member amends the premium appropriately and reports the premium and/or statistical information to the RSP.
  - (b) If the risk is no longer eligible for the RSP and the member is not retaining the risk, the member must remove the risk from the RSP effective no later than 21 days from the date the information was received by the member.

- (c) If the risk is no longer eligible for the RSP and the member is retaining the risk, the member must remove the risk from the RSP back to the date the information was received by the member.
- B. If there is a change in the risk, other than a change from private passenger use, after the renewal has been released and after the renewal effective date:
  - (a) The risk may remain in the RSP at the original renewal premium. AND
  - (b) On the expiry of the policy term, the risk must be re-assessed for eligibility.
- C. If there is a change from private passenger use making the risk no longer eligible for the RSP:
  - (a) If the member is not retaining the risk, the member must remove the risk from the RSP effective no later than 21 days from the date the information was received by the member.
  - (b) If the member is retaining the risk, the member must remove the risk from the RSP back to the date the information was received by the member.

### 3. MID-TERM TRANSFERS

At any time within the policy term, a risk may be transferred to the RSP if it meets the eligibility requirements.

- A. If there has been no change in drivers or vehicles between the policy effective date and the transfer effective date, a deterioration in the risk e.g. additional claims, between the policy effective date and the transfer effective date, will not affect the risk's eligibility for that term. On the expiry of the policy term, the risk must be reassessed for eligibility.
- B. If, after transfer, the risk changes affecting the risk's eligibility, e.g. the vehicle is now commercial, but the member is not retaining the risk, the member must remove the risk from the RSP effective no later than 21 days from the date the information making the risk ineligible was received by the member.
- C. If, after transfer, the risk changes affecting the risk's eligibility, e.g. the vehicle is now commercial, but the member is retaining the risk, the member must remove the

risk from the RSP back to the date the information making the risk ineligible was received by the member.

### C. Transfer Limitations

### Time Limitations

### 1. New business

Must be received by the RSP within 15 days of inception including inception date to be accepted in the RSP as of inception date. If not received within 15 days, the risk is accepted in the RSP 1 day after transmittal date to the RSP.

Example 1: Policy inception date October 1, 2004

Policy transmitted to the RSP October 11, 2004

Policy received by the RSP October 12, 2004 (12 days)

Policy accepted in the RSP as of inception date

Example 2: Policy inception date October 1, 2004

Policy transmitted to the RSP October 16, 2004

Policy received by the RSP October 17, 2004 (17 days)

Policy not accepted in the RSP as of inception date but is accepted as of October 17,

2004 (missed the 15 day time limit)

### 2. Renewals and portfolio transfers

Must be received by the RSP on or before the renewal effective date to be accepted in the RSP as of renewal effective date. If not received by the renewal effective date, the risk is accepted in the RSP 1 day after transmittal date to the RSP.

### 3. Additional vehicles

Must be received by the RSP within 15 days of endorsement effective date including endorsement date to be accepted in the RSP as of endorsement effective date. If not received within 15 days, the risk is accepted in the RSP 1 day after transmittal date to the RSP.

### 4. Other mid-term changes

For changes e.g. coverage and deductibles on vehicles that are already in the RSP, there is no time restriction such as that shown for additional vehicles.

# **Coverage Limitations**

Although you may insure the risk for any coverage, limits, and deductibles filed with AIRB, the following limitations apply on coverages transferred to the RSP.

- The transferred Third Party Liability limit has a maximum of \$2,000,000.
- The transferred All Perils or Collision coverage has a minimum deductible of \$100.
- The transferred Comprehensive or Specified Perils coverage (with or without Glass Coverage, END 13D) has a minimum deductible of \$50.
- The transferred Family Protection coverage (END 44) has a maximum of \$2,000,000.

### **NOTES:**

If members write higher limits or lower deductibles than those acceptable to the RSP, the members retain the difference between that amount and the RSP limit on their own book.

- Example 1: An insurer provides \$5,000,000 Liability; only \$2,000,000 is transferable to the RSP; losses may also be transferred to the RSP up to the \$2,000,000 limit, while the increased \$3,000,000 remains on the insurer's own account.
- Example 2: An insurer provides \$50 deductible for All Perils; only \$100 deductible is transferable to the RSP; any loss in excess of \$100 may be transferred to the RSP. Losses between \$50 and \$100 remain on the insurer's book.

If a member transfers a vehicle to the RSP:

- Only those coverages/endorsements (subject to the coverage limitations above) associated with that vehicle and the applicable premiums may be transferred to the RSP.
- All coverages and endorsements pertaining to the transferred vehicle must be transferred.
- On multi-vehicle policies, policy level endorsements on the policy and the full applicable premiums must be transferred with a ceded vehicle.

### **Restrictions and Transfer Limit**

- Risks are ceded into the RSP at 100%.
- For each member, the transfer limit for grid risks is unlimited and for non-grid risks is 4% of the previous year's total voluntary private passenger non-fleet Third Party Liability direct written car years excluding ceded grid risks.
- Within a calendar year, members must not at any time exceed the non-grid transfer limit of their previous year's total voluntary private passenger non-fleet Third Party Liability direct written car years, excluding ceded grid risks.
- Once prior year data is available, monthly reports that include the percentage calculated against their previous year's total car years are distributed.
- If a member attempts to transfer a risk to the RSP after the member has reached the 4% non-grid transfer limit, that transfer is ineffective, the risk remains on the member's own account and the member is directed to remove the risk from the RSP. A member may appeal to the Provincial Operating Committee to exceed the 4% non-grid transfer limit, even retroactively and the Board of Directors will be informed.
- A member approaching the 4% non-grid transfer limit receives a warning.
- A member who exceeds the 4% non-grid transfer limit is directed to remove risks, along
  with their attendant claims, from the RSP system, starting with the most recently transmitted
  New Business/Renewal/Additional Vehicle transactions continuing until the 4% non-grid
  transfer limit is reached.
- The 4% transfer limit may be adjusted from time to time by the Facility Association Board of Directors to reflect market conditions. Members will be advised by bulletin in advance of any changes to the transfer limit.
- At inception of the Alberta RSP October 1, 2004, insurers who, because of their own system limitations, are unable to transmit immediately to the RSP, may submit a written request to the President of Facility Association for an extension to transmit **all** eligible grid risks in their existing book up to January 31, 2005 with an acceptance date in the RSP of October 1, 2004. This written request must be received by Facility Association before October 1, 2004.

# D. Compliance Reviews

The Facility Association Plan of Operation provides for auditing of all member companies.

Routine compliance investigations are made of all member companies ceding risks to the RSP, on a rotating basis at a minimum of every 2 years.

The purpose of Compliance Reviews is to establish that:

- 1. Risks in the RSP are eligible by way of vehicle type or rating classification
- 2. Appropriate verification of the risk's eligibility was undertaken.
- 3. The appropriate premium was transferred with the risk.
- 4. The risk was transferred in accordance with established procedures for transfer dates, coverages, cancellation dates, etc.

### **Ineligibility**

If, during the course of an investigation, a risk transferred to the RSP is found to be ineligible because of type and/or use of the vehicle i.e. either a commercial, public or recreational vehicle, you will be requested to remove that risk from the RSP back to the transfer date, as well as any claims that have been transferred.

### **Reports**

### 1. Failing to order reports

If you have failed to order MVRs on all listed operators, or a Prior Experience Report on the risk, or if you did not order the reports within the prescribed time frames, you will be required to order the reports at the time of the investigation and provide copies of the reports to the RSP investigators. If the information received establishes that the risk was not eligible at the date of transfer you will be required to remove the risk from the RSP back to the transfer date, as well as any claims that have been transferred.

This does **not** pertain to the transfer of existing business from your voluntary market book to the RSP in the first year of RSP operation, from October 1, 2004 to October 1, 2005.

### 2. Electronic Paper Free Documentation

Where there is no copy in paper or other medium retained by the member or broker, for audit purposes, the member may be requested at the time of an audit to obtain new MVR and AutoPlus reports on a random sample of risks to verify the information documented on the computer system.

### 3. Upload Brokers

Where brokers/agents order the MVR and Prior Experience Reports and retain them in their office, a copy of the reports is required to be sent to the audit site by the broker or the member may order new MVR and prior experience reports at the time of the audit. In addition, a copy of the application is required where the policy has been in force not more than 2 years.

### 4. No documentation of ordering reports

If you ordered MVRs and Prior Experience Reports, but did not appropriately document that fact (please see DOCUMENTATION), you will be required to provide acceptable evidence of the ordering following the investigation. If this cannot be provided, you will be required to proceed as outlined in 'Failing to Order Reports'.

### 5. Abeyance and follow-up

If the category of risk or documentation is such that you are required to mark files for abeyance or follow-up, and you have failed to do so, you will be required to follow-up at the time of the investigation to determine if the information is available.

If the information is available, reports will be required and if the risk is found not to have been eligible for transfer at the transfer effective date, you will be required to remove the risk effective the transfer date as well as any claims accruing to it.

If the information is not available, a further abeyance will be required.

### **SUNSET CLAUSE**

### **Investigations**

Investigators will be looking at a selection of risks from your RSP portfolio which have transfer dates within the two year period leading up to the investigation. Transfers dating from before this period will not be investigated.

If there has not been an investigation of your company within the last two years, investigators will choose from risks transferred since the last investigation.

### Member reviews of own book

The Sunset Clause also means that if a member chooses to review their own book, and determines that ineligible risks were transferred and need to be removed, or the incorrect premium was transferred, these changes can only be made to risks with transfer dates within the previous 2 years.

### **Important:**

- 1. Where it is determined that a member has committed wilful misconduct, the Sunset Clause does not apply.
- 2. The Sunset Clause does not apply to claims.

### Risks with claims

Any risk that has a claim (any type) after it has been transferred to the RSP must remain in the RSP until the next renewal date unless cancelled by the insured.

This does not apply under the following circumstances:

- Where you are instructed by rule or during an investigation to remove a risk
- When the vehicle changes to an ineligible type of vehicle e.g. commercial or recreational vehicle

### **FAILURE TO COMPLY**

If it is determined that a risk submitted to the RSP did not meet the criteria for submission in that:

- (a) MVR was not ordered at all or was not ordered within the appropriate time frame **or**
- (b) Prior experience report was not ordered at all or was not ordered within the appropriate time frame
- (c) The appropriate supporting documentation was not retained for inspection

the member will be required to obtain the appropriate reports or submit the appropriate documentation. If it is determined then that the risk was not eligible for transfer at the date of transfer, the risk and any claims must be removed from the RSP as of the transfer date along with associated premiums. Otherwise it may remain in the RSP, subject to such additional fees or charges as may be established from time to time by the Board of Directors.

If it is determined that a company is not ordering the appropriate reports, or has adopted a practice which fails to provide for proper compliance with its obligations, the company will be dealt with as an exception. A further investigation, or, where determined by the President of Facility Association to be appropriate, a full audit, will follow.

Where it is decided that a full audit of all risks transferred by the member is appropriate, the costs of the audit will be billed to the member.

Where such investigation or audit demonstrates to the satisfaction of the Executive Committee that there has been a general failure to order the required reports on time the expense factor allowed to the member will be reduced by two percentage points for a period of six months.

Flagrant or continued failure to comply with these obligations could result in a directive to the member to remove all risks from the RSP. This penalty would only be applied after a follow up review by the President and Executive Committee, and referral to the Board of Directors.

- Reserved for Future Use -

# IV. OVERVIEW: TRANSFER METHODS

# A. Introduction

The FACT (Facility Association Correct & Transmission) application is the web-based portion of the Alberta Pool application. It allows companies to enter and transmit premium and claims to the Alberta Pool. It redisplays error transactions and allows them to be corrected for resubmission.

This user guide provides instructions on accessing the application, entering data and accessing results. Users should have some familiarity to the web and exposure to a Windows environment.

There are two methods of transmitting risk/premium and claim data to the Alberta Pool System. They are:

- Manual data entry via FACT Application
- Data file upload via FACT Application
- Web Services

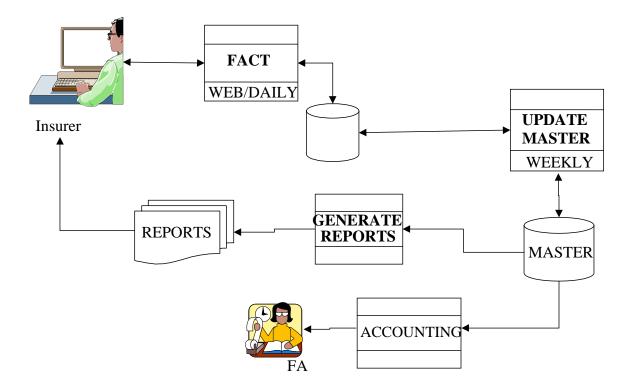
You can use either of the two methods of transmission of data to the Alberta Pool System. You can, at your own discretion use manual data entry via FACT or data file upload via FACT or <u>any</u> combination of the two. Although your transactions may be transmitted to the Alberta Pool System by your various branch or service offices, your Head Office for Canada or one office designated for each jurisdiction must be responsible for the smooth operation of the transfer of data.

Irrespective of the method of transmission that you choose, it is to your advantage to transmit risk data on a daily basis in order to avoid delays in the effective date of the transfer. Claims must be transmitted on a regular basis to avoid backlog.

Various reports are generated on a weekly, monthly, quarterly and yearly basis for distribution to insurers. Reference this manual for further details regarding these reports.

Figure IV-2 demonstrates the flow of information.

# Alberta Risk Sharing Pool Process Flow



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# ALBERTA FACT USER MANUAL

Version 2.0 January 2005

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### 'How To' Quick Reference

1. How to access the FACT application.

To access the FACT application, type: <a href="https://apps.facilityassociation.com/">https://apps.facilityassociation.com/</a> in the address field of your Web browser. Then enter your assigned user-id and password.

2. How to contact IBC

If you having problems with the application, we offer the following support options.

- You can e-mail IBC's helpdesk at <a href="helpdesk@ibc.ca">helpdesk@ibc.ca</a>
- You can call IBC's helpdesk at 416-644-3100 or toll free 1-800-761-6703
- 3. How to apply for a FACT user id.

E-mail your request to Angela Sobers at <u>ASobers@FacilityAssoc.com</u> or call **416-863-1750** or **Toll-Free 1-800-268-9572** 

### INTRODUCTION

The FACT application is the web based portion of the Alberta POOL application. It allows companies to enter and transmit premium and claims to the POOL. It redisplays error transactions and allows them to be corrected for resubmission.

This user guide provides instructions on accessing the application, entering data and accessing results. Users should have some familiarity to the web and exposure to a Windows environment.

## BROWSER COMPATABILITY AND APPLICATION AVAILABILITY

## **Browser Requirements**

The FACT application requires a browser that supports 128 encryption.

The following versions Internet Explorer are compatible with the Alberta POOL application.

• Microsoft Internet Explorer 5.5 and later

The screen prints in this document reflect IE 6.0. If you have another version of the browser, your screens may look different than the ones shown.

# **Application Availability**

The FACT application will have a 97% availability except for regular scheduled maintenance periods on weekends.

Every attempt will be made to ensure the FACT application is available as noted above. However, the system may occasionally be unavailable due to technical difficulties or to implement application enhancements.

#### ACCESS AND LOGIN

Accessing the FACT Application

Figure 1.



# **System Login**

This screen provides access and security control for FA's FACT applications. You must be an authorized user. Your User ID and initial Password are assigned by IBC.

To contact IBC:

Help Desk phone number: (416) 445-5912 (Ext. 3100)

Help Desk E-mail: helpdesk@ibc.ca

# Login:

It is important that your password be kept private as all activity is recorded under the User ID.

• Enter your User ID

- Enter your **Password**
- Press **Login** (first time users will be prompted to change their password).

Note: User account will be locked, if password is incorrectly entered three times. Contact <a href="helpdesk@ibc.ca">helpdesk@ibc.ca</a> to unlock account.

## TIPS:

- Both fields (User ID and Password) are mandatory and must be filled in.
- The Password is a minimum of 7 characters and must contain a combination of alpha and numeric characters.
- Click **Remember My ID** for User ID to be saved.

# **Change Password:**

If you would like to change your password you will need your User ID and Password.

• Click Change Password.

# On first pop-up screen:

- Enter your **User ID** again (for validation purposes)
- Enter your current **Password**
- Enter your new Password, and enter new Password again to verify
- Click **Submit** to proceed.

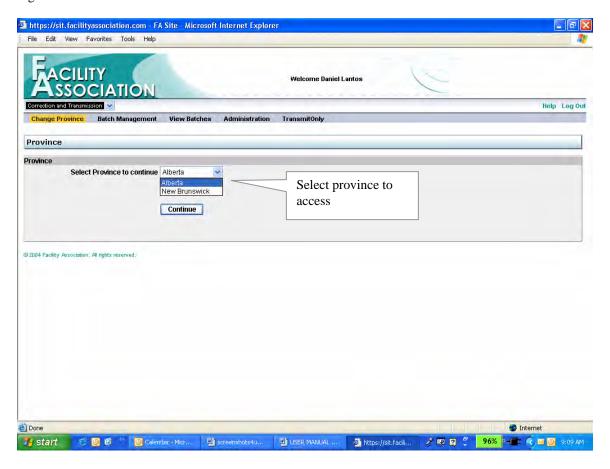
You will be returned to the main Login screen to login with your new password.

#### PROVINCE SELECTION (All Users)

Selecting the appropriate province:

The FACT application allows users with appropriate user authority to access one or more provinces. Users will be presented with the Change Province screen once they have successfully logged in.

Figure A.



#### SELECT PROVINCE

To select the province, click the pull down menu to display provincial options. Select the province and click CONTINUE. Users have the ability to change provinces within a session without logging out by clicking the "Change Province" tab on the menu bar.

## **SCREEN FUNCTIONALITY** (Transmission and Correction Users)

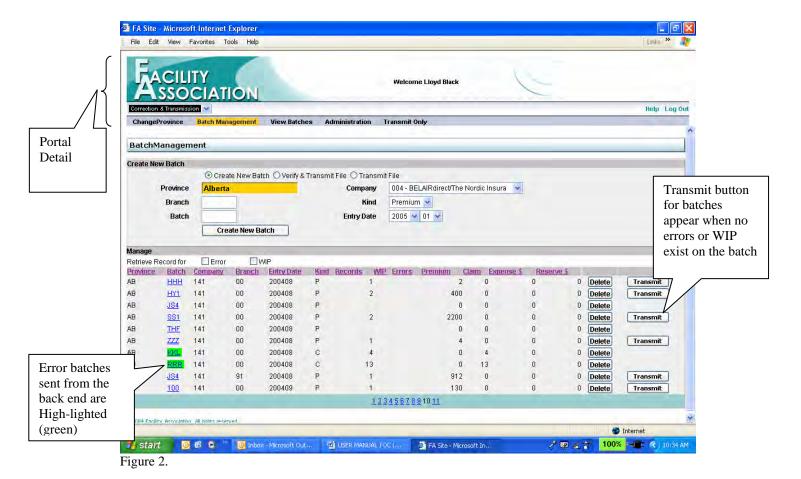
#### BATCH MANAGEMENT

Transmission and Correction Users are those users who have been designated to submit and correct transactions through the FACT application. The first page displayed to the Transmission and Correction User is the BATCH MANAGEMENT screen.

The BATCH MANAGEMENT screen allows users to created new batches.

The screen displays the "Open" and "Error" batches that are currently available to the user. "Open" batches are batches that are being worked on. "Error" batches are batches that have been returned to the user with errors that have been detected after the batch was Transmit(ted) to the POOL. These "Error" batches are highlighted in green on the Batch Management screen and require special handling. See the Premium Batch and Claim Batch sections below.

Batches can be deleted and transmitted.



PORTAL DETAIL

The Portal itself controls the top menu bar. On the menu bar you will find the logo, a "welcome" message, help link, log out, application name (drop down box) and a menu bar for screen navigation (Batch Management and View Batches).

The Batch Management screen has two sections, the Create New Batch at the top of the screen and the Manage portion at the bottom of the screen.

Transmission and Correction User can do one of the following:

Create New Batch Verify and Transmit File Transmit file

#### CREATE NEW BATCH

To manually create a new batch, the user must click the "Create New Batch" radio button (default). The fields for creating the new batches appear. – See Figure 2.

All fields are required and the users must enter:

Province (defaulted to the selected province)
Company (a drop down list is available for user who have multiple company access)
Branch
Kind (Premium/Risk or Claim)
Entry Date (Year and Month) and
Batch Number

When entry is completed the user must click the Create Batch command button. If the batch is successfully created (i.e. proper date entered, no duplicate batches) the user will be brought to the first Premium Batch screen or Claim Batch screen depending on the Kind entered.

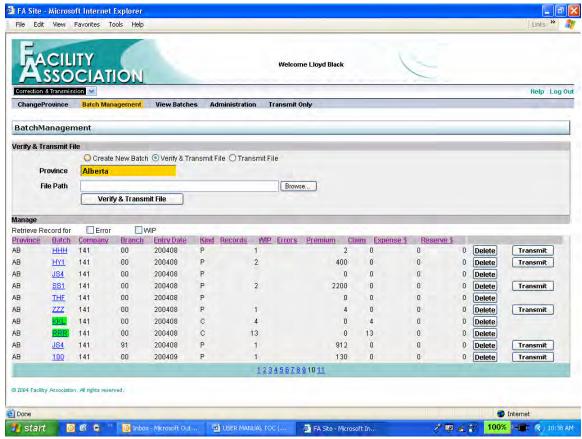


Figure 3.

#### VERIFY AND TRANSMIT FILE

To submit a file which contain a batch or batches and do the verification (field and field relationship edits are performed) the user must click the "Verify and Transmit" radio button. The File Path text box appears along with a Browse button. – See Figure 3.

The user can key in or locate a file on their network to Verify and Transmit. If there are any problems with any of the batches themselves, i.e. duplicate batches or missing trailer records, the whole file will be rejected otherwise each record in the batch has the field and field relationship edits applied to them. If there are no error records on an individual batch, the batch is placed in Transmit status and will be listed on the View Batches screen. If there are errors detected on any records within the batch, the batch is placed on the Manage list (bottom part of the screen) with an "open" status.

#### TRANSMIT FILE

To submit a file which contains a batch or batches without doing a verification (field and field relationship edits) the user must click the "Transmit File" radio button. The File Path text box appears along with a Browse button.

The user can key in or locate a file on their network to Transmit the batches. If there are any problems with the batches themselves, i.e. duplicate batches or missing trailer records, the whole file will be rejected otherwise the batch or batches are placed in Transmit status and will be listed on the View Batches screen.

#### MANAGE BATCHES

The bottom section of the Batch Management screen lists the current open and error batches that the signed in user is assigned. Open batches are batches the user is working on and which some transactions have not passed the field and field relationship edits. Error batches contain only error records and are batches that have been returned to the user for correction after an attempted was made to update the POOL database. Error batches are highlighted in green. Error batch transactions must be assigned to another batch after they are corrected.

Details of the batches are listed including:

Province

Batch (number)

Company (number)

Branch

**Entry Date** 

Kind (P = premium/risk, C = claim)

Records (number of transactions on the batch)

WIP (number of Work In Progress transactions on the batch)

Errors (number of error transactions on the batch)

Premium (\$ total for premiums on a premium batch)

Claim (\$ total of paid loss amount on claim batch)

Expenses \$ (total dollar amount of expenses on a claim batch)

Reserve \$ (Total dollar amount of reserves on a claim batch)

#### Sort

The display can be sorted by clicking on any title for the above listed columns. Click once to sort ascending and twice to sort descending.

## **Display Transactions**

To open a batch, click on the Batch Number link. Users will be brought to the first transaction in the file (Premium transaction or Claim transaction depending on the Kind). All transactions (saved, WIP (Work In Progress) and error) will be displayed in order as stored in the batch.

#### Display Transaction (WIP)

To display only the transactions in the batch that have a status of WIP the user must click the WIP checkbox. When the batch is displayed, only the WIP transaction on the batch will be displayed in order as stored in the batch.

## **Display Transaction (Errors)**

To display only the transactions in the batch that have a status of Error the user must click the Errors checkbox. When the batch is displayed, only the Error transaction on the batch will be displayed in order as stored in the batch.

#### **Display Transaction (WIP and Errors)**

To display the transactions in the batch that have a status of either WIP or Error, the user must click the both the WIP and Errors checkbox. When the batch is displayed, the WIP and Error transactions on the batch will be displayed in order as stored in the batch.

#### **Print (Error transactions)**

A <u>Print</u> button is displayed for any batch with error records. When the user clicks the <u>Print</u> button, the error transactions contained on a batch are printed. See a sample format of the report in sections Error Report Sample.

#### **Delete**

To delete a batch, click the Delete command button. A warning message will appear indicating that the user is about to delete the batch

#### Note:

- Deleting an "Open" batch which still contains transactions will cause the batch to be listed on the View Batches screen (and Administration screen) with a status of "D" for deleted.
- Deleting an "Open" batch which does not contain transactions will be <u>physically</u> removed and will not appear on the View Batches screen (or the Administration screen).
- Deleted "Error" batches will be <u>physically</u> removed and will not appear on the View Batches screen (or the Administration screen) and therefore this "Error" batch will not be recoverable. The transactions in an "Error" batch do not have to be deleted or transferred prior to a delete of the "Error" batch.

### Transmit

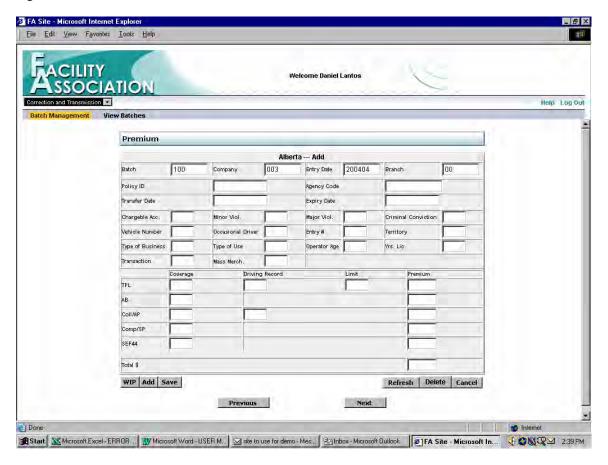
When the user has completed entering the transactions in the batch and is ready to transmit the batch to the POOL, the Transmit command button is available. The Transmit command button will submit the batch to the POOL and remove the batch from the list on this page.

#### PREMIUM BATCH

The premium batch (input) screen allows user to enter and view premium transactions.

Users can toggle between fields using the tab key. Some fields will limit the input such as no Alpha characters in amount fields. The field and field relationship edit check is done when the user attempts to save the transaction. All transactions (saved, WIP, errors) are available for updating.

Figure 4.



The following is an explanation of the command buttons.

## WIP (Work In Progress)

The WIP will place the transaction displayed on the screen in a WIP status field and field relationship edit will not be performed. At least one field must be entered on the transaction to save as WIP. WIP is not available on saved transactions.

## SAVE

The SAVE command button will cause the transaction to go through the validation and consistency edit. If there are no errors detected the transaction is saved and the next record is displayed. At the end of a batch a "new" record will be displayed.

If the edits detect an error the transaction remains on the screen and an error message appear in the Error Message box.

#### **ADD**

The ADD command button will clear the screen of any values and position the user to a "new" transaction to be added to the batch. The user then can enter data.

#### REFRESH

The REFRESH command button will refresh the contents of the screen from the last time the transaction was saved.

#### **DELETE**

The DELETE command button will delete the transaction from the batch. A confirmation message will appear. When the transactions is deleted, either the next available transaction will be displayed on the screen or, if the user was at the last record in the batch, the screen is cleared for the user to enter a "new" transaction.

#### **CANCEL**

The CANCEL command button will bring the user back to the BATCH MANAGEMENT Screen.

#### **PREVIOUS**

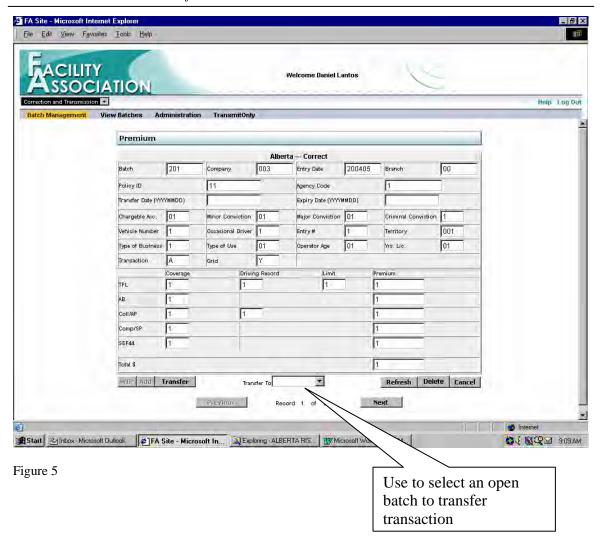
The PREVIOUS command button allows users to display the previous transaction in the series on the batch.

#### **NEXT**

The NEXT command button allows users to display the next transaction in the series on the batch.

### TRANSFER (Error Batches only)

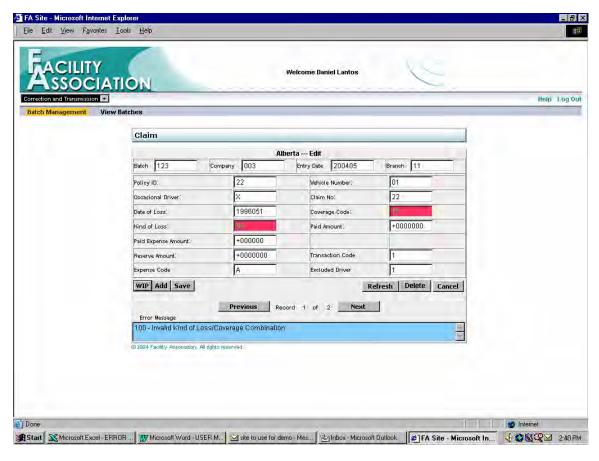
The Transfer command button is available on "Error" batches only. "Error" batches are batches that have been returned to the user with errors that have been detected after the batch was Transmit(ted) to the POOL. These "Error" batches are highlighted in green on the Batch Management screen. If these transactions are to be corrected for resubmission, they must be assigned to another open batch. The application requires the user to pick a batch from the drop down list to transfer the transaction to. Reference figure 5. The transaction must pass the field and field relationship edit prior to being transferred.



#### **CLAIM BATCH**

The CLAIM batch (input) screen allows user to enter and view claim transactions.

Figure 6.



Users can toggle between field using the tab key. Some fields will limit the input such as no alpha characters in amount fields. The Field and Field Relationship error check is done when the user attempts to save the transaction. All transactions (saved, WIP, errors) are available for updating.

The following is an explanation of the command buttons.

## WIP (Work In Progress)

The WIP will place the transaction displayed on the screen in a WIP status. The field and field relationship edits will not be performed. At least one field must be entered on the transaction to save as WIP. WIP is not available on saved transactions.

## SAVE

The SAVE command button will cause the transaction to go through the validation and consistency edit. If there are no errors detected the transaction is saved and the next record is displayed. At the end of a batch a "new" record will be displayed.

If the edits detect and error the transaction remains on the screen and an error message appear in the Error Message box.

#### **ADD**

The ADD command button will clear the screen of any values and position the user to a "new" transaction to be added to the batch. The user then can enter data.

#### REFRESH

The REFRESH command button will refresh the contents of the screen from the last time the transactions was saved.

#### DELETE

The DELETE command button will delete the transaction from the batch. A confirmation message will appear. When the transactions is deleted, either the next available transaction will be displayed on the screen or, if the user was at the last record in the batch, the screen is cleared for the user to enter a new transaction.

#### **CANCEL**

The CANCEL command button will bring the user back to the BATCH MANAGEMENT Screen.

#### **PREVIOUS**

The PREVIOUS command button allows users to display the previous transaction in the series on the batch.

#### **NEXT**

The NEXT command button allows users to display the next transaction in the series on the batch.

### TRANSFER (Error Batches only)

The Transfer command button is available on "Error" batches only. "Error" batches are batches that have been returned to the user with errors that have been detected after the batch was Transmit(ted) to the POOL. These "Error" batches are highlighted in green on the Batch Management screen. If these transactions are to be corrected for resubmission, they must be assigned to another open batch. The application requires the user to pick a batch from the drop down list to transfer the transaction to. Reference figure 7. The transaction must pass the field and field relationship edit prior to being transferred.

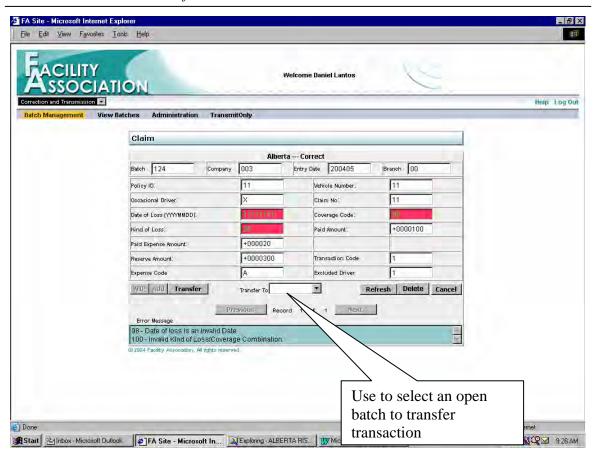
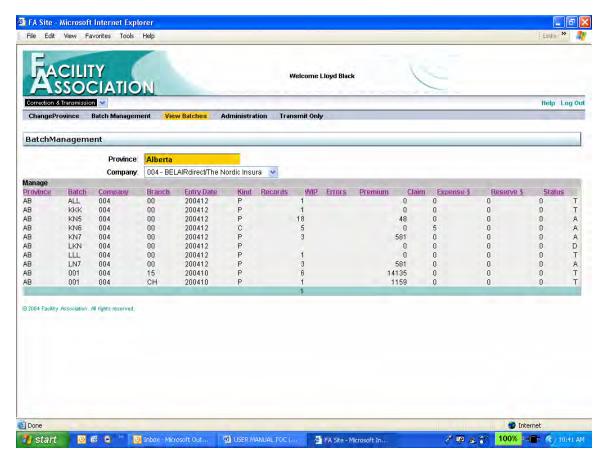


Figure 7

#### **VIEW BATCHES** (Transmission and Correction Users)

The View Batches screen allows Transmission and Correction Users to view batches that have been processed within the last 90 days.

Figure 8.



The company list pull down menu displays the companies the user has been granted access to. The company results are displayed at the bottom of the screen.

The results shown at the bottom of the screen display the status of any batch (excluding current open and error batches) handled by the user in the last 60 days. After 60 days, the batch is removed from the list.

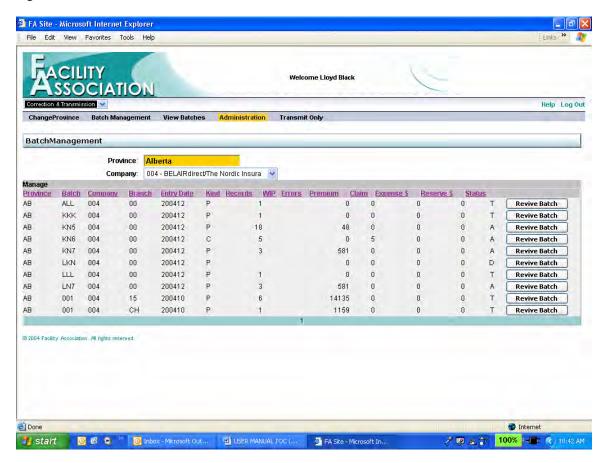
The batch can have a status of:

- "T" for Transmit, where a batch has been transmitted to the POOL but the weekly process has not yet processed the batch against the database.
- "A" for Archived, where a transmitted batch has been processed against the database.
- "D" for Deleted, where a user has deleted a batch.

#### **ADMINISTRATION (Administrator)**

The administration screen is available only for the user designated as an Administrator. It allows the Administrator to view batches that have been processed within the last 60 days for the companies they are authorized to view. A user designated as an Administrator will have the ability to revive batches.

Figure 9.



The company list pull down menu displays the companies the Administrator has been granted access to. The company results are displayed at the bottom of the screen.

The results shown at the bottom of the screen display the status of any batch (excluding current open and error batches) handled by the user in the last 60 days. After 60 days, the batch is removed from the list.

The batch can have a status of:

- "T" for Transmit, where a batch has been transmitted to the POOL but the weekly process has not yet processed the batch against the database.
- "A" for Archived, where a transmitted batch has been processed against the database.
- "D" for Deleted, where a user has deleted a batch.

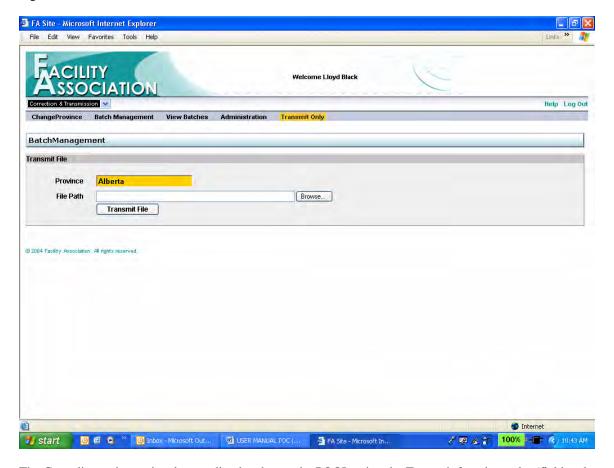
#### REVIVE

Users designated as an Administrator have the ability to revive batches and will have the REVIVE command button enabled. When the REVIVE command button is clicked, the batch will be revived to be displayed on the Batch Management screen for processing by the user. A message will appear to confirm that the user wants the batch revived. The revived batch will be removed from the display in the Administration screen.

#### TRANSMIT ONLY (Co-ordinator)

The user who is assigned as a Co-ordinator has access only to the following screen:

Figure 10.



The Co-ordinator is restricted to sending batches to the POOL using the Transmit function only (field and field relationship edits are not performed). After a file has been prepared and is on the user local network, the Co-ordinator can log on and will have the screen displayed as shown in figure 10.

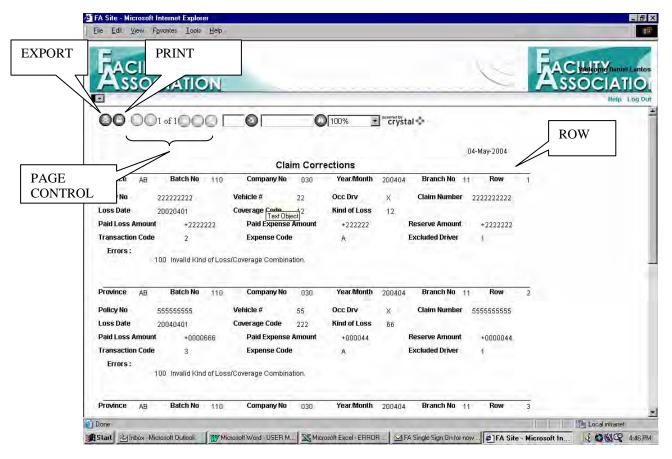
The Co-ordinator selects the province and can either key in the file path or search for the file using the browse command button. Once completed, the user can click the Transmit File command button.

Upon clicking the Transmit file command button, the application will check for certain conditions including that the user has access rights to submit the company number that are on the file, there are trailer records for each batch existing on the file and there are no duplicate batches.

If any of these conditions exist, an error message is displayed and the whole file is rejected.

If none of the above conditions is met, the batches are read into the application and placed in a Transmit status.

#### ERROR REPORT SAMPLE



#### **EXPORT**

This button allows users to export the report. Users will be promoted for a choice of a report format (i.e. MS Work, PDF file etc.) and a page range to export. Users can save the resulting report in a file.

#### **PRINT**

This button will allow users to print the report. Users are prompted to enter a page range to print.

#### PAGE CONTROL

User can use these controls to scroll through the pages that are displayed. Relative page position is shown.

#### ROW

This is an internally generated number that shows the relative position of the record within the batch.

# Where to Get Help

The system provides error messages as data is being entered. Messages appear for incorrect Format (e.g. date fields) or when a mandatory/required field is not entered or selected.

For any problems with access, please e-mail IBC's Helpdesk at **helpdesk@ibc.ca**, or call 416-644-3100 or 1-800-761-6703.

For any questions regarding the FACT applications, or questions relating to a specific business question, please contact Angela Sobers at <a href="mailto:ASobers@FacilityAssoc.com">ASobers@FacilityAssoc.com</a> 416-863-1750 or Toll-Free 1-800-268-9572.

# **How to Report Problems/Issues**

For any system problems/issues, please report them via e-mail to IBC's Helpdesk, at **helpdesk@ibc.c**a. If possible, include a screen sample as an attachment using Microsoft Word.

# To capture the screen:

- 1. While the page to be captured appears on the screen, press the **PrintScrn** button on your keyboard. This sends the image displayed on the computer screen to the clipboard (like copying).
- 2. Open **Microsoft Wor**d.
- 3. In a new Word document, go to the **Edit** menu and click on **Paste.** A picture of the screen you 'copied' will be displayed.
- 4. Save the document and refer to the screen in the file name (ex. Batch Management).

# How to apply for a FACT user id.

E-mail your request to Angela Sobers at <u>ASobers@FacilityAssoc.com</u> or call **416-863-1750** or **Toll-Free 1-800-268-9572** 

# **Facility Association Correction and Transmission (FACT)**

Web Services Guide

**Technical Documentation** 

January 2005

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# **Purpose**

This document provides an overview of the setup process for the automated data submission through the FACT application. In addition it defines technical details for utilizing the web service function by describing the functionality and details how to connect to the web services at design time. It also contains a code sample for external user can to create testing programs.

# Background

The newly introduced FA Alberta and New Brunswick Risk Sharing Pools data collection tool FACT includes 3 different methods for an insurer to submit data. The insurance company user can enter data by typing in a single transaction, submit a batch file of transactions through the FACT user interface or data can be submitted by web services. All validation will be the same whether data is entered manually or through a file. The following will describe the input and output for the web services so that external program will be able to utilize the service.

Note: Current Ontario RSP does not have this automated data submission feature. It will be available once the current PC pool package is replaced with the FACT application.

# **Web Services Setup Process**

# **Step 1 - Company Technical Evaluation**

A company interested in the submission of RSP data through Web Services should first evaluate their internal capability to submit data in this method. Evaluation process should be conducted by the company technical development staff. To support their evaluation they should use this document.

Any technical support questions regarding the Web Services submission setup should be directed to IBC helpdesk at <a href="helpdesk@ibc.ca">helpdesk@ibc.ca</a>. Helpdesk will log the request and forward the question to the technical support staff. Any business related questions should be directed to Facility Association.

# Step 2 - Obtaining the User ID

In order to submit data via the FACT automated submission a company requires a FACT Web Services User ID. The user id can be obtained by completing the FA Correction and Transmission (FACT) User ID request form and the Information and System Security Statement. Both forms are available from and must be submitted to FA. In the "User Access required for" section of FACT User ID form both PRODUCTION FACT Web Services and TEST FACT Web Services check boxes should be marked.

Once the FACT User ID request form has been submitted and validated by FA, an email, containing the system generated Web Service user-id and password, will be sent to the email address provided on the request form. The initial email will contain test user id, password and URL link for test region.

The emailed user will need to access FACT, via the URL provided in the email, to change the password. Once the original password has been changed the <u>user id and new password</u> must then be added to the member's web service code for access to FACT.

# Step 3 - Testing

Throughout the FACT web services development and test preparation process any technical questions can be sent to IBC helpdesk at <a href="helpdesk@ibc.ca">helpdesk@ibc.ca</a>. Helpdesk will log the requests and then forward questions to the appropriate FACT technical support staff.

Submission of the first test file via web services should be coordinated with the FACT technical support staff. This can be done directly if there is a prior communication between the company and FACT support staff or through IBC helpdesk if it is the first time company is requesting web services support from IBC. The communication prior to sending the first test file is required as the FACT Web Services test region availability has to be confirmed by the FACT support staff.

Note: It is important to use the proper user id, password and URL in testing the setup of the automated submission via web services. Once the submission setup has been tested the user will be sent a second email with Production user id, password and URL. The test and production user id's, passwords and URL links are all different. Once a company starts sending production data the test user id will be disabled.

Test URL: <a href="https://uat.facilityassociation.com">https://uat.facilityassociation.com</a>

## **Step 4 - Production**

Once the service has been successfully tested the next step is to prepare for the production submission. This preparation includes replacing the test user ID, password and URL within the automated submission web services scripts with those of production User ID, password and URL which will be provided following successful completion of testing. Again it would be beneficial if the transition from testing to production is coordinated with the FACT support staff at IBC so that they can monitor and provide support during this transition.

Production URL: <a href="https://apps.facilityassociation.com">https://apps.facilityassociation.com</a>

# **Important**

- 1. Any existing FACT user id set up for other user access can not be used for the automated data submission via web services.
- 2. Any company starting to submit RSP data via Web Services has to go through testing the transmission before starting with production submissions.
- 3. FACT Web Services user will not be able to access the FACT application in the manner as other FACT users who submit data manually. If FACT Web Services user id is used in a manual log on attempt the user will be presented with the message screen stating "Application is not available".
- 4. The production user id, password and URL link are all different from the test information and will be provided to the company once testing has been successfully completed. The password change procedure should be completed for both test user id and production user id and the reset passwords should then be used in the web services code.
- 5. A single completed FACT User ID request form is sufficient for both test and production setups if Production User Access and Test User Access areas are marked on the form.
- 6. A single FACT Web Services user id can be utilized to submit data for both Alberta and New Brunswick risk sharing pools. Within the submitted file input parameter code it will be identified whether the data is for Alberta or New Brunswick. Mixing of data from both provinces into one file is not allowed.

# **FACT Web Services for File Upload**

This web service will transfer a text file to IBC / FA server and invoke a preliminary check on the file record. The first 15 bytes are the key to identify an individual record. Its purpose is to maintain data integrity so that duplicate batches will not be entered into the system and to confirm that records are properly followed by a trailer record. In addition, the first byte indicates the records type (1 being Premium record, 2 being Premium trailer, 3 being Claim record and 4 is Claim trailer). Mixing of premium and claim records in a single file is not allowed. The current maximum length of record is set to 200 bytes. Anything longer than 200 bytes will be rejected. This may change dependent on the business requirement changes.

The following lists out the parameters for the web service:

Method Name: UploadFileWebService

**Input Parameter**: **string loginName** (user name created by FA to access this service),

string password (associated password for the user name),

string province (2 characters code :'AB' - Alberta,

'NB' - New Brunswick etc),

**byte** [] **fileContent** (byte array for file content)

Output Parameter: integer (zero means successful completion)

**Exception:** SoapException will be thrown when there is an error

# **Sample FACT Web Service Client Code**

Sample Console C# code

```
Step 1:
using System;
using System.Collections;
using System.Configuration;
using System.ComponentModel;
using System.Data;
using System. Web;
using System.Web.Services.Protocols;
using System.IO;
namespace TestWebServices
  /// <summary>
  /// Testing Class TestWS.
  /// </summary>
  class TestWS
  {
    /// <summary>
    /// Testing program for the web service
    /// </summary>
     [STAThread]
     static void Main(string[] args)
        System.IO.FileStream fs = null;
        try
          {
          //
          // Add web reference to point to localhost
          // or other web service, then instantiate the instance
           //
          Fa.Fact.WebServices.UploadService srv
                  = new Fa.Fact.WebServices.UploadService();
           fs = new FileStream( "C:\\lu.txt", FileMode.Open,
                  FileAccess.Read );
           // Create a byte array of file stream length
          byte[] b = new byte[fs.Length - 1];
           //Read block of bytes from stream into the byte array
           fs.Read(b,0,System.Convert.ToInt32(fs.Length - 1));
           // invoke the service by providing the credential,
```

Step 2:

## Add web reference by pointing to

http://uat.facilityassociation.com/Fa.Fact.WebServices/UploadService.asmx

**Of** use the following files

## A) ..\Fa.Fact.WebServices\uploadservice.wsdl

```
<?xml version="1.0" encoding="utf-8"?>
<definitions xmlns:s1="http://facilityassociation.com/AbstractTypes"</pre>
xmlns:http="http://schemas.xmlsoap.org/wsdl/http/"
xmlns:soap="http://schemas.xmlsoap.org/wsdl/soap/"
xmlns:s="http://www.w3.org/2001/XMLSchema"
xmlns:s0="http://facilityassociation.com"
xmlns:soapenc="http://schemas.xmlsoap.org/soap/encoding/"
xmlns:tm="http://microsoft.com/wsdl/mime/textMatching/"
xmlns:mime="http://schemas.xmlsoap.org/wsdl/mime/"
targetNamespace="http://facilityassociation.com"
xmlns="http://schemas.xmlsoap.org/wsdl/">
  <types>
    <s:schema elementFormDefault="qualified"</pre>
targetNamespace="http://facilityassociation.com">
      <s:element name="UploadFileWebService">
        <s:complexType>
          <s:sequence>
            <s:element minOccurs="0" maxOccurs="1" name="loginName"</pre>
type="s:string" />
            <s:element minOccurs="0" maxOccurs="1" name="password"
type="s:string" />
            <s:element minOccurs="0" maxOccurs="1" name="province"
type="s:string" />
            <s:element minOccurs="0" maxOccurs="1" name="fileContent"</pre>
type="s:base64Binary" />
          </s:sequence>
        </s:complexType>
      </s:element>
      <s:element name="UploadFileWebServiceResponse">
        <s:complexType>
          <s:sequence>
            <s:element minOccurs="1" maxOccurs="1"
name="UploadFileWebServiceResult" type="s:int" />
          </s:sequence>
        </s:complexType>
      </s:element>
      <s:element name="UploadFile">
        <s:complexType>
          <s:sequence>
            <s:element minOccurs="0" maxOccurs="1" name="loginName"</pre>
type="s:string" />
            <s:element minOccurs="0" maxOccurs="1" name="password"
type="s:string" />
```

```
<s:element minOccurs="1" maxOccurs="1" name="verify"</pre>
type="s:int" />
            <s:element minOccurs="0" maxOccurs="1" name="province"</pre>
type="s:string" />
            <s:element minOccurs="0" maxOccurs="1" name="fileContent"</pre>
type="s:base64Binary" />
          </s:sequence>
        </s:complexType>
      </s:element>
      <s:element name="UploadFileResponse">
        <s:complexType>
          <s:sequence>
            <s:element minOccurs="1" maxOccurs="1" name="UploadFileResult"</pre>
type="s:int" />
          </s:sequence>
        </s:complexType>
      </s:element>
      <s:element name="int" type="s:int" />
    </s:schema>
    <s:schema
targetNamespace="http://facilityassociation.com/AbstractTypes">
      <s:complexType name="StringArray">
        <s:complexContent mixed="false">
          <s:restriction base="soapenc:Array">
            <s:sequence>
              <s:element minOccurs="0" maxOccurs="unbounded" name="String"</pre>
type="s:string" />
            </s:sequence>
          </s:restriction>
        </s:complexContent>
      </s:complexType>
    </s:schema>
  </types>
  <message name="UploadFileWebServiceSoapIn">
    <part name="parameters" element="s0:UploadFileWebService" />
  </message>
  <message name="UploadFileWebServiceSoapOut">
    <part name="parameters" element="s0:UploadFileWebServiceResponse" />
  </message>
  <message name="UploadFileSoapIn">
    <part name="parameters" element="s0:UploadFile" />
  </message>
  <message name="UploadFileSoapOut">
    <part name="parameters" element="s0:UploadFileResponse" />
  <message name="UploadFileWebServiceHttpGetIn">
    <part name="loginName" type="s:string" />
    <part name="password" type="s:string" />
    <part name="province" type="s:string" />
    <part name="fileContent" type="s1:StringArray" />
  </message>
  <message name="UploadFileWebServiceHttpGetOut">
    <part name="Body" element="s0:int" />
  </message>
```

```
<message name="UploadFileHttpGetIn">
 <part name="loginName" type="s:string" />
  <part name="password" type="s:string" />
 <part name="verify" type="s:string" />
 <part name="province" type="s:string" />
  <part name="fileContent" type="s1:StringArray" />
</message>
<message name="UploadFileHttpGetOut">
 <part name="Body" element="s0:int" />
</message>
<message name="UploadFileWebServiceHttpPostIn">
  <part name="loginName" type="s:string" />
 <part name="password" type="s:string" />
  <part name="province" type="s:string" />
 <part name="fileContent" type="s1:StringArray" />
</message>
<message name="UploadFileWebServiceHttpPostOut">
  <part name="Body" element="s0:int" />
</message>
<message name="UploadFileHttpPostIn">
  <part name="loginName" type="s:string" />
 <part name="password" type="s:string" />
 <part name="verify" type="s:string" />
 <part name="province" type="s:string" />
  <part name="fileContent" type="s1:StringArray" />
</message>
<message name="UploadFileHttpPostOut">
 <part name="Body" element="s0:int" />
</message>
<portType name="UploadServiceSoap">
 <operation name="UploadFileWebService">
   <input message="s0:UploadFileWebServiceSoapIn" />
   <output message="s0:UploadFileWebServiceSoapOut" />
  </operation>
  <operation name="UploadFile">
    <input message="s0:UploadFileSoapIn" />
   <output message="s0:UploadFileSoapOut" />
  </operation>
</portType>
<portType name="UploadServiceHttpGet">
  <operation name="UploadFileWebService">
   <input message="s0:UploadFileWebServiceHttpGetIn" />
    <output message="s0:UploadFileWebServiceHttpGetOut" />
 </operation>
  <operation name="UploadFile">
   <input message="s0:UploadFileHttpGetIn" />
    <output message="s0:UploadFileHttpGetOut" />
 </operation>
</portType>
<portType name="UploadServiceHttpPost">
  <operation name="UploadFileWebService">
   <input message="s0:UploadFileWebServiceHttpPostIn" />
   <output message="s0:UploadFileWebServiceHttpPostOut" />
  </operation>
```

```
<operation name="UploadFile">
      <input message="s0:UploadFileHttpPostIn" />
      <output message="s0:UploadFileHttpPostOut" />
    </operation>
  </portType>
  <binding name="UploadServiceSoap" type="s0:UploadServiceSoap">
    <soap:binding transport="http://schemas.xmlsoap.org/soap/http"</pre>
style="document" />
    <operation name="UploadFileWebService">
      <soap:operation</pre>
soapAction="http://facilityassociation.com/UploadFileWebService"
style="document" />
      <input>
        <soap:body use="literal" />
      </input>
      <output>
        <soap:body use="literal" />
      </output>
    </operation>
    <operation name="UploadFile">
      <soap:operation</pre>
soapAction="http://facilityassociation.com/UploadFile" style="document" />
        <soap:body use="literal" />
      </input>
      <output>
        <soap:body use="literal" />
      </output>
    </operation>
  </binding>
  <binding name="UploadServiceHttpGet" type="s0:UploadServiceHttpGet">
    <http:binding verb="GET" />
    <operation name="UploadFileWebService">
      <http:operation location="/UploadFileWebService" />
      <input>
        <http:urlEncoded />
      </input>
      <output>
        <mime:mimeXml part="Body" />
      </output>
    </operation>
    <operation name="UploadFile">
      <http:operation location="/UploadFile" />
      <input>
        <http:urlEncoded />
      </input>
      <output>
        <mime:mimeXml part="Body" />
      </output>
    </operation>
  </binding>
  <binding name="UploadServiceHttpPost" type="s0:UploadServiceHttpPost">
    <http:binding verb="POST" />
    <operation name="UploadFileWebService">
```

```
<http:operation location="/UploadFileWebService" />
      <input>
        <mime:content type="application/x-www-form-urlencoded" />
      </input>
      <output>
        <mime:mimeXml part="Body" />
      </output>
    </operation>
    <operation name="UploadFile">
      <http:operation location="/UploadFile" />
      <input>
        <mime:content type="application/x-www-form-urlencoded" />
      </input>
      <output>
        <mime:mimeXml part="Body" />
      </output>
    </operation>
  </binding>
  <service name="UploadService">
    <port name="UploadServiceSoap" binding="s0:UploadServiceSoap">
      <soap:address</pre>
location="http://localhost/Fa.Fact.WebServices/uploadservice.asmx" />
    <port name="UploadServiceHttpGet" binding="s0:UploadServiceHttpGet">
      <http:address
location="http://localhost/Fa.Fact.WebServices/uploadservice.asmx" />
    <port name="UploadServiceHttpPost" binding="s0:UploadServiceHttpPost">
      <http:address
location="http://localhost/Fa.Fact.WebServices/uploadservice.asmx" />
   </port>
  </service>
</definitions>
```

# B) ..\Fa.Fact.WebServices\ uploadservice.disco

#### C) ..\Fa.Fact.WebServices\Reference.map

#### D) ..\Fa.Fact.WebServices\Reference.cs

```
//-----
// <autogenerated>
      This code was generated by a tool.
      Runtime Version: 1.0.3705.288
//
//
//
      Changes to this file may cause incorrect behavior and will be lost
if
//
      the code is regenerated.
// </autogenerated>
//
// This source code was auto-generated by Microsoft. VSDesigner, Version
1.0.3705.288.
//
namespace TestWebServices.Fa.Fact.WebServices {
   using System.Diagnostics;
   using System.Xml.Serialization;
   using System;
   using System. Web. Services. Protocols;
   using System.ComponentModel;
   using System. Web. Services;
   /// <remarks/>
   [System.Diagnostics.DebuggerStepThroughAttribute()]
   [System.ComponentModel.DesignerCategoryAttribute("code")]
[System.Web.Services.WebServiceBindingAttribute(Name="UploadServiceSoap",
Namespace="http://facilityassociation.com")]
   public class UploadService :
System.Web.Services.Protocols.SoapHttpClientProtocol {
       /// <remarks/>
       public UploadService() {
           this.Url =
"http://localhost/Fa.Fact.WebServices/uploadservice.asmx";
       /// <remarks/>
[System.Web.Services.Protocols.SoapDocumentMethodAttribute("http://facility
association.com/UploadFileWebService",
RequestNamespace="http://facilityassociation.com",
ResponseNamespace="http://facilityassociation.com",
Use=System.Web.Services.Description.SoapBindingUse.Literal,
ParameterStyle=System.Web.Services.Protocols.SoapParameterStyle.Wrapped)]
```

```
public int UploadFileWebService(string loginName, string password,
string province,
[System.Xml.Serialization.XmlElementAttribute(DataType="base64Binary")]
System.Byte[] fileContent) {
            object[] results = this.Invoke("UploadFileWebService", new
object[] {
                        loginName,
                        password,
                        province,
                        fileContent });
            return ((int)(results[0]));
        }
        /// <remarks/>
        public System.IAsyncResult BeginUploadFileWebService(string
loginName, string password, string province, System.Byte[] fileContent,
System.AsyncCallback callback, object asyncState) {
            return this.BeginInvoke("UploadFileWebService", new object[] {
                        loginName,
                        password,
                        province,
                        fileContent } , callback , asyncState);
        }
        /// <remarks/>
        public int EndUploadFileWebService(System.IAsyncResult asyncResult)
{
            object[] results = this.EndInvoke(asyncResult);
            return ((int)(results[0]));
        }
        /// <remarks/>
[System.Web.Services.Protocols.SoapDocumentMethodAttribute("http://facility
association.com/UploadFile",
RequestNamespace="http://facilityassociation.com",
ResponseNamespace="http://facilityassociation.com",
Use=System.Web.Services.Description.SoapBindingUse.Literal,
ParameterStyle=System.Web.Services.Protocols.SoapParameterStyle.Wrapped)]
        public int UploadFile(string loginName, string password, int
verify, string province,
[System.Xml.Serialization.XmlElementAttribute(DataType="base64Binary")]
System.Byte[] fileContent) {
            object[] results = this.Invoke("UploadFile", new object[] {
                        loginName,
                        password,
                        verify,
                        province,
                        fileContent });
            return ((int)(results[0]));
        }
        /// <remarks/>
```

```
public System.IAsyncResult BeginUploadFile(string loginName, string
password, int verify, string province, System.Byte[] fileContent,
System.AsyncCallback callback, object asyncState) {
            return this.BeginInvoke("UploadFile", new object[] {
                        loginName,
                        password,
                        verify,
                        province,
                        fileContent}, callback, asyncState);
        }
        /// <remarks/>
        public int EndUploadFile(System.IAsyncResult asyncResult) {
            object[] results = this.EndInvoke(asyncResult);
            return ((int)(results[0]));
        }
}
```

# Request Form (User Id & Branch Code)

## **Facility Association**

777 Bay Street, Suite 2400, Toronto, Ontario, Canada M5G 2C8 Tel.: (416) 863-1750 Fax.: (416) 868-0894

## FA Correction & Transmission (FACT)

#### Instructions

#### Please PRINT clearly.

For all requests

- The <u>Company Information</u> section must be completed.
- Project Manager, must sign and fax back to (416) 842-0241

#### For user id request:

- The <u>User Information</u> section must be completed in full.
- The user and a witness must sign the security agreement.

#### For company branch requests:

At least one branch code must be assigned to each IBC Reporting Company Number in the <u>Branch Information</u> section.

Company Information (please print) Company Name: \_\_\_\_\_ FA Project Manager: FA Project Manager Email Address: User Information \_\_\_\_\_\_Title: \_\_\_\_\_ User Name: Branch Address \_\_\_\_\_ Fax: Phone: Email Address: Please select one of the following options: ■ New User ID ■ More Access for Existing User ID #\_\_\_\_\_ ☐ Cancel User ID # \_\_\_\_\_ For Internal Use **User Access required for PRODUCTION: \*** Date Initials ☐ Transmission & Correction ☐ Administrator Co-ordinator **User Access required for TEST:\*** Date Initials Co-ordinator Transmission & Correction Administrator OR FACT Web Service Access required for: \*\* Date Initials ☐ TEST FACT Web Service PRODUCTION FACT Web Service

- \* A **Transmission & Correction User** will be able to enter, transmit and correct transactions. An Administrator User will be able to view and revive previously transmitted batches. A Co-ordinator User can only transmit a file.
- \*\* FACT Web Service ID is used only for automated submission of files. Web Service ID can not be combined or requested with other FACT user access roles on the same request form.

(Please reference the Risk Sharing Pool Operational Manual for further details regarding the user types)

Specify the IBC Reporting Company Numb	ers, within a Province, for which the user
will have access	
Province:	
IBC Reporting Company Number:	
Province:	
IBC Reporting Company Number:	
Province:	
IBC Reporting Company Number:	
Branch Information	
IBC Reporting Company Number: Branch Code:	
IBC Reporting Company Number: Branch Code:	
IBC Reporting Company Number: Branch Code:	
IBC Reporting Company Number: Branch Code:	
IBC Reporting Company Number: Branch Code:	
*Note: FACT requires companies to assign at least one	branch code for each company number.
Branch codes must be two characters Alpha/Nur	neric, no special characters.
All branch codes that companies plan to use mus	st be reported to FA using this form.
Signature	
FA Project Manager Signature:	Date:
For Internal Use	
Existing User ID:	
Member Services Signature:	Date:
The following ID has been assigned / changed:	
ID: Password:	(if new or changed)
The following Node Name(s) have been assigned: Jurisdiction: _	Node Name:
	Node Name:
(Node Name not required for Admin users)	

## V. RISK PREMIUMS

## • Data Required for Common Business Transactions

Please refer to Appendix P-3 and C-3.

## • Batching of Transactions

#### **General Information**

A batch of transactions must have:

- \* the same COMPANY NUMBER
- \* the same BRANCH CODE
- the same ENTRY YEAR and MONTH
- \* the same BATCH CODE
- the same type (Premium or Claims)

• BATCH CODE is a mandatory 3-digit field (alpha/numeric) which you must assign to identify the batch containing a group of transactions. Each batch must be individually identified by its own BATCH CODE. BATCH CODES must be unique within a COMPANY NUMBER, BRANCH CODE and ENTRY DATE. We recommend that you assign BATCH CODES in the sequence in which batches are transmitted. We also strongly recommend that you allot a specific block of BATCH CODES to each branch or service office which prepares batches for transmission to the Alberta Pool System, if applicable. In other words, if more than one location is transferring transactions to the Alberta Pool System, assign BATCH CODES by branch. The same batch code cannot be repeated in the same processing month.

The trailing record gives batch control and audit information and must show the total record count and total amounts of all the transactions in that batch:

- if Risk/Premium Batch, then total TOTAL PREMIUM
- if Claims Batch, then total PAID AMOUNTS, total EXPENSE AMOUNTS and total RESERVE AMOUNTS.

Checking at the Alberta Risk Sharing Pool verifies that the count and content of the data records in the batch agree with the trailing control record.

It is to your advantage to transmit Risk/Premium batches to the Alberta Pool System on a daily basis, in order to avoid delays in the effective date of transfer of the risk, while claim batches should be transmitted regularly to prevent a backlog.

The Transmittal Date (also called the Postmark Date) refers to the actual date of receipt at the Alberta Pool System.

Delays in the transmission due to unforeseen circumstances, affects your Postmark Dates and thereby your TRANSFER DATES. Immediately when the problem is discovered, send a fax to the Facility Association <u>before</u> sending transmission.

Each transmission may consist of a number of batches. A batch will contain either premium or claim data, but not both.

Refer to Appendix T-1 for record layouts for the data and the trailing control records. The trailing control record gives batch control and audit information. Checking by the Alberta Pool system verifies that the count and contents of the data records in the batch agree with the trailing control record.

Size of batches is left to your discretion.

## Closing Dates

In order to establish compatibility with the accounting periods of most Members, the Alberta Pool System closes each month on the 5th working day of the next calendar month.

The Alberta Pool System produces a Premium Edit Listing once a week which contains the batches received during the week; that is, from Monday to Sunday. If no batch has been received from you, then no Edit Listing is produced.

The Alberta Pool System also produces a Claims Edit Listing once a week which contains the batches received during the week. If no batch has been received from you, then no Edit Listing is produced.

## • Advance Renewals, and Changes

In order to facilitate the transfer of renewals, the Alberta Pool System can accept premium batches for transactions up to 2 months in advance of the effective date.

Accepted Risk/Premium transactions are listed on a monthly Premium Bordereau. Accepted Claim transactions are listed on a Paid Loss Bordereau and an Open Claims Register.

All transactions within a single batch must have the same ENTRY DATE. Batches containing future dated transactions must be transmitted with ENTRY DATES which correspond to the effective date of the transaction.

#### Your Internal Control of Batches

It is your responsibility to maintain adequate internal control to ensure that all risks which you intend to transfer to the Alberta Risk Sharing Pool are in fact accepted by the Alberta Pool System, and are shown on the Edit Listing. We recommend that each office transferring batches to the Alberta Pool System maintain a ledger with the following information:

- entry month and year
- batch code
- transmit date, and
- batch total amount(s)

When you receive an Edit Listing from the Alberta Pool System, you could add the following items to the ledger:

- Edit Listing number
- accepted total amount(s), and
- rejected total amount(s)

## Entire Batch Missing

In the event that an entire batch is missing from an Edit Listing, you must immediately fax to the Facility Association for further instructions. Include in your fax the following information:

- Missing BATCH CODE and ENTRY DATE
- COMPANY NUMBER and BRANCH CODE
- Total premium and record count for missing batch.

If an entire batch has been transmitted with an incorrect BATCH CODE, and if the BATCH CODE is a duplicate of a number previously used by you in the same week, the Alberta Pool System merges the 2 batches which create an out-of-balance situation.

If an entire batch is transmitted with the incorrect COMPANY NUMBER, it will appear that a batch is missing from the Edit Listing. If this occurs, fax <u>immediately</u> to the Facility Association.

#### • Error Correction

Transactions in error are rejected entirely from the Alberta Pool System. The transfer of the risk is held in suspension. If the error is corrected within 30 days of the date of the Edit Listing, the POSTMARK DATE will be maintained. If the errors are not corrected within 30 days, the risk must be retransmitted with a new TRANSFER DATE equal to current postmark date plus one.

Certain types of corrections will not automatically maintain the original postmark date even if corrected within 30 days: for those error corrections special handling is required. Please refer to Section V11 for further details.

The Facility Association Plan of Operation - Operating Principles contains the following compliance requirements for error remediation:

#### A. <u>INITIAL PROCEDURE</u>

Where a member is identified by the Association management as having a significantly higher than average error rate on an ongoing basis with respect to the submission of claims and/or premiums to the RSP, the following steps will be taken:

Step 1 - A letter will be sent by the Association to the President of the member outlining the edit listings with the errors, providing a contact name and number at the Association for assistance, and giving the member sixty days to correct the errors or submit an action for consideration;

Step 2 – If after the sixty days no significant improvement is noted by the Association and no action plan has been submitted to the Association, a second letter will be sent to the President of the member stating that if no significant improvement is noted within a further sixty days the member may no longer be entitled to cede risks to the RSP.

#### B. EXCLUSION FROM USE OF RSP

- (1) If, after the sixty day period referred to in Step 2, no significant improvement has been observed, the Board shall be so advised and may by resolution decide that the member shall no longer be authorized to cede risks to the RSP, and that all transactions with errors are to be removed from the RSP immediately and returned to the member.
- (2) If the Board decides that the member shall no longer be authorized to cede risks to the RSP the President of the member shall be advised of such decision in writing forthwith and of the transactions being returned to the member.
- (3) A member that has been so advised may apply subsequently to the Board to reinstate and the Board may approve such reinstatement upon such terms and conditions as it may deem appropriate.

## Reports

The Alberta Pool System produces a Premium Edit Listing once a week which contains the batches received during the week; that is, from Monday to the subsequent Sunday. If no batch has been received from you, then no Edit Listing is produced.

The Alberta Pool System also produces a Claims Edit Listing once a week which contains the batches received during the week; that is, from Monday to the subsequent Sunday. If no batch has been received from you, then no Edit Listing is produced.

Accepted risk/premium transactions are listed on a monthly Premium Bordereau in accordance with the Entry Date of the batches in which they were transmitted. Accepted claim transactions are listed on the Paid Loss Bordereau in accordance with the Entry Date of the batches in which they were transmitted. All Open Claims are listed in the monthly Open Claims Register.

#### New Policies and Renewals

For all renewals and new business where you are electing to transfer risks (vehicles) to Alberta Pool, complete <u>all</u> fields on the Premium Transaction Screen, referring to the Definitions of Premium Transfer Fields set out in Appendix P-1.

Risks are transferred into the Alberta Pool effective the TRANSFER DATE. In many circumstances, the **Transfer Date** is based on the Transmittal Date. However, in many circumstances other factors will influence determination of the TRANSFER DATE. Please refer to

the Definitions of Premium Transfer Fields (Appendix P-1) for the definition of the **TRANSFER DATE**, and how it should be determined.

The transfer is only effective for the term indicated on the transaction. A subsequent transfer must be transmitted for each subsequent transfer term.

## • Changes/Cancellations/Reinstatements of Transfers

#### CORRECTIONS OF INITIAL CLASSIFICATION OR RATING

Corrections of data in the Alberta Pool System are permitted, whenever appropriate.

In order to transmit a change to a risk previously transferred:

- 1. complete a Premium Transaction Screen as per Data Required For Common Business Transactions, Appendix P-3.
- 2. complete PREMIUM fields with the additional or return premium pro-rated from the TRANSFER DATE.

If, subsequent to the transfer of a risk to the Alberta Pool, you receive information that affects the initial classification and/or rating of the risk (such as an undisclosed use of the vehicle or undisclosed prior claims and/or convictions) and you choose not to cancel the insurance for non-disclosure:

- If the information does not affect the risk's eligibility for transfer, to the Alberta Pool, the risk may remain transferred to the Alberta Pool provided that you amend the premium appropriately.
- If the eligibility requirement is no longer satisfied, you must cancel the transfer effective within 21 days of the date on which the information came to your knowledge and claim a refund of the transferred premium on a pro-rata basis.

#### ADDING OR EXTENDING COVERAGE

This includes adding collision/all perils/comprehensive/specified perils/extending accident benefits/increasing limit/decreasing deductibles. When adding or extending coverages on a risk previously accepted by the Alberta Pool System (defined as a transaction or part thereof that generates an additional premium), the TRANSFER DATE must be equal to the endorsement effective date.

On future dated mid-term changes, the TRANSFER DATE is the day following the Transmit Date or your risk effective date, whichever is later. The occurrence of a claim and/or conviction during the Transfer Period does not necessarily require a change of premium during that period.

Any change in coverage must be reported to the Alberta Pool System. If you are changing/increasing coverage and waiving the additional premium, you must report the change in

coverage using an Appropriate Transaction Code and a nominal premium (i.e. \$1) in order for the Alberta Pool System to record the change in coverage and thereby properly respond to any claim. To ensure that your books balance, when you are reporting a change in coverage with no change in premium, do the following:

- 1. Transmit a Code 9, using the appropriate coverage codes and a premium of \$1.00 (debit).
- 2. In the same (or subsequent) batch, transmit a second Code 9 with the exact same detail but a premium of (\$1.00) (credit).

#### **CANCELLATIONS OF TRANSFER**

Backdated cancellations of Transfer are only permitted in circumstances where the coverage for the vehicle has been cancelled or deleted with your company. In these cases, the cancellation effective date is the date of deletion of coverage. When the transfer is being cancelled to take the risk back to your own account, the cancellation effective date is the TRANSFER DATE.

Similarly, on cancellations by registered letter, the TRANSFER DATE is the date following your Transmit Date or your cancellation effective date, whichever is later; in this case, if you transmit the transaction to the Alberta Pool when you issue the registered letter, your TRANSFER DATE will likely be 15-18 days following issuance.

If you waive a premium or allow a flat cancellation, delete the vehicle from the Alberta Pool flat (Use TRANSACTION CODE 3). If a claim occurs between the flat cancellation effective date and the cancellation effective date on the registered letter, the claim will be paid by the Alberta Pool when the appropriate premium is transferred to the Alberta Pool. However, it must be supported by appropriate documentation and submitted to Facility Association with a special request.

#### **Please Note:**

- All vehicles are considered to be independent risks, so an additional vehicle is a new risk and is treated like a new business.
- A class 05 or 06 operator has to have the same VEHICLE NUMBER as the principal operator for that vehicle.
- The deletion of a vehicle is in fact a cancellation of the transfer of the risk, and a reinstatement is literally the re-addition of the vehicle.

## CHANGING ALL PERILS to COLLISION/COMPREHENSIVE/SPECIFIED PERILS or COLLISION/COMPREHENSIVE/SPECIFIED PERILS to ALL PERILS.

In order to change from All Perils to Collision/Comprehensive/Specified Perils or Collision/Comprehensive/Specified Perils to All Perils, you must first submit a Code 3 to delete the existing coverage and then submit a Code 9 to make the change.

- **Example:** A policy has All Perils, and you wish to change the coverage to Collision and Comprehensive:
  - 1. Submit a Code 3 deleting All Perils, crediting the appropriate premium effective the date of the change.
  - 2. Submit a Code 9 adding Collision and Comprehensive.

CANCELLATION OF TRANSFER OF RISK WHERE ALL COVERAGES OTHER THAN COMPREHENSIVE HAVE BEEN SUSPENDED (i.e. where you have suspended moving coverages and NOW you wish to cancel the remaining coverages in the Alberta Pool) - Please also see "Temporary suspension of coverages"

When cancelling a risk in the Alberta Pool which carries only Comprehensive or Specified Perils ("Road Coverages" /temporary suspension of mandatory coverages), you must use a Code 3 and delete all coverages, INCLUDING THE SUSPENDED COVERAGES. Use the appropriate coverage code and leave the premium field blank or use \$0.

The system maintains a record of the existence of suspended coverages and if you do not cancel them, the risk remains in the Alberta Pool.

#### REINSTATEMENT

Reinstatements or "retransfers" occur for a variety of reasons. Appropriate handling will depend on the circumstances. Reinstatements generally fall into one of two categories:

- actual cancellation and subsequent reinstatement of coverage.
- cancellation and reinstatement done simultaneously to correct a risk (e.g. switch from agency bill to pay plan, etc.) also referred to as "retransfer".

#### ACTUAL CANCELLATION AND SUBSEQUENT REINSTATEMENT

- **A.** If coverage for a risk is cancelled flat and coverage is then reinstated effective the cancellation date, (no gap in coverage) transmit the reinstatement to the Risk Sharing Alberta Pool System using a CODE 9.
  - if the reinstatement is transmitted to the Alberta Pool System within 35 days of the postmark date of the Alberta Pool cancellation (i.e., the date the cancellation was sent to the Alberta Pool) the TRANSFER DATE will be equal to the reinstatement effective date (no gap in coverage).
  - if the reinstatement is transmitted to the Alberta Pool System after 35days following the <u>postmark date</u> of the Alberta Pool cancellation, the TRANSFER DATE will be equal to the TRANSMIT DATE plus one.
- **B.** If coverage for a risk is cancelled, and coverage is "reinstated" (i.e. the same policy and vehicle numbers are used), but there is a gap in coverage, transmit the reinstatement to the Alberta Pool System using CODE 9.
  - if the reinstatement is transmitted after 15 days following the "reinstatement" effective date, the TRANSFER DATE should be the TRANSMIT DATE plus one.
- **Note**: IN EITHER CASE, if coverage for a risk is cancelled, the cancellation to the Alberta Pool is BACKDATED, and the coverage is now being reinstated.
  - if the cancellation was a FLAT CANCELLATION (back to policy effective date), transmit a CODE D (mid-term transfer) the TRANSFER DATE is equal to the TRANSMIT DATE plus one.

- if the cancellation was not a FLAT CANCELLATION, but nonetheless was backdated, transmit the reinstatement using CODE 9. The TRANSFER DATE is the TRANSMIT DATE plus one.

## CANCELLATION AND REINSTATEMENT DONE SIMULTANEOUSLY TO CORRECT A RISK - CHANGING A KEY FIELD

• Submit to Facility Association with a Special Request.

#### TEMPORARY SUSPENSION OF COVERAGES

If you are suspending moving coverages by means of an END. No. 16, your company will, as its standard practice either refund the premium to the insured at the time of the END 16 is added, or will refund the premium afterward, when the END No. 17 is added.

- If you are refunding the premium up front at the time the END No. 16 is added and the refund made;
  - 1. transmit a TRANSACTION CODE 9: for TRANSFER DATE use the effective date of the Suspension of Coverage; for the EXPIRY DATE:
    - if you know the reinstatement date, use the date the coverages are to be reinstated, or the expiry date if that precedes it; and show the reduction in the premium in the appropriate premium fields.
    - or if the reinstatement date is not known, use the expiry date and show the reduction in premium in the appropriate premium fields.
  - 2. at the time the END No. 17 is added, transmit a TRANSACTION CODE 9: for the TRANSFER DATE use the date of the reinstatement of coverages; for the EXPIRY DATE, use the expiry date and show the increase in the appropriate premium fields.

<u>Note</u>: If there is no premium adjustment necessary at the time of the END No. 17 because the estimated duration of the suspension <u>period</u> and the premium charge transmitted was correct, no second transmittal is required.

- 3. if the suspension spans two risk terms, at the time of the Renewal: transmit a TRANSACTION CODE C in the usual manner; next transmit a TRANSACTION CODE 9: for the TRANSFER DATE, use the renewal date; for the EXPIRY DATE, use the expected reinstatement date, or the next term expiry date whichever is first. When coverages are reinstated, proceed as above.
- If you are refunding the premium at the termination of the suspension, you do not need to transmit anything at the time of the END. 16. At the time you add the END No. 17, transmit a TRANSACTION CODE 9: for the TRANSFER DATE use the effective date of the suspension of coverage (the END No. 16); for EXPIRY DATE, use the effective date of the reinstatement of coverages.

Note: If the suspension spanned two risk terms, you will have to transmit two

transactions: one covering the period from suspension (TRANSFER DATE) to the renewal date, (EXPIRY DATE) and the other covering the period from the renewal (TRANSFER DATE) to the reinstatement (EXPIRY DATE).

#### **SPECIAL PROCESSING**

#### Change of TYPE OF USE Involving Class 05 or 06" Driver

If you need to <u>change a risk</u> from TYPE OF USE 10, 11, 12 or 13 to 01, 02, 03 or 07 with a "class 05 or 06" driver:

Transmit a change of AGE/TYPE OF USE (TRANSACTION CODE 9) on 01, 02, 03 or 07.

Transmit a TRANSACTION CODE E, ENTRY NUMBER 01, to add the "class 05 or 06" driver.

Similarly, when you need to <u>delete</u> a "<u>class 05 or 06" driver</u> - and change the risk from class 01, 02, 03 or 07 to class 10, 11, 12 or 13:

Transmit a TRANSACTION CODE 3 to cancel the "class 05 or 06" driver.

Transmit a change of AGE/TYPE OF USE for the principal operator (TRANSACTION CODE 9) to 10, 11, 12 or 13.

## VI. CORRECTING ERRORS – PREMIUMS/CLAIMS

## A. Error Corrections – Premiums / Claims

All transaction errors, front-end errors and back-end errors, can be accessed and corrected by the web based FACT application from the Batch Management screen. An example of a front-end error is when the coverage code is not a valid code or there is an invalid date combination. An example of a back-end error is when there is a claim against a policy that does not exist on the master file.

Any batch that has not been processed by the back-end is considered to be in "open" status. Any batch that has been processed by the back-end and where back-end errors have been found on the transactions is considered an "error" batch. An "error" batch is highlighted in green on the Batch Management screen. "Open" batches are not highlighted.

#### **Manual Transaction Entry**

When the user enter transactions into a batch manually, front-end edits are performed when the transaction is saved. If the transaction does not pass the front-end edits, the fields in error are highlighted and there are error messages displayed.

#### **Verify and Transmit**

When a batch is transmitted via the Verify and Transmit function, the "verify" check the transactions for front-end errors. Any batches with front-end errors are given an "open" status and are available for correction on the batch management screen. When the user access the batch, error transaction will highlight the error field and display error messages. (See ACCESSING ERROR BATCHES below)

#### **Transmit**

When a batch is transmitted via the Transmit only function, the batch goes directly to Transmit mode and the front-end edits are not performed at this time. All edits, front-end and back-end, are performed on the transaction when the file is processed against the master file (once a week).

## **B.** Accessing Errors Batches

To access the batches with errors, on the Batch Management screen: Click the Error checkbox next to the "Retrieve Records for" Click the link (Batch Number)

#### "Open" Batches

When accessing an "Open" batch, the error transactions have the fields in error highlighted and error messages displayed. Once corrected, the transactions remain in the same batch.

#### "Error" Batches

Error batches have the same batch key (Province, Company Number, Branch, Kind, Entry Date and Batch Number) as originally submitted. The FACT application does not allow duplicate batches so special handing of back-end errors is required.

Users must transfer the corrected transaction to an "open" batch. When the user accesses the transaction, the users must select an available "open" batch from a pull down menu to transfer the transaction. When the Transfer button is clicked, if the transaction has a front-end error the transfer is not done. If the transaction is error free, the transfer is done.

Note: Only the front-end edit can be performed on the transaction at this point. Once the Transfer button is clicked, the back-end error messages are not displayed. For reference, it is recommended that the error transactions be printed prior to any correction on back-end error transactions.

Special Note: In the case where an amount field was sent to the Alberta Pool that was not numeric, then the field value will be reset to zero rather than showing the value sent.

## C. Alternate Correct Process

If you choose to support error correction through your own system, an option exists to print the error transactions together with the descriptive error messages. This information can then be used to correct the information and a new transactions sent via the file transmit function.

To print error transaction, on the Batch Management screen:

Locate the batch you wish to print Click the print link

Crystal reports will be launched and you can export and or print the report.

Note: The print process does not delete the batch file. The batch can be reprinted more than once.

#### **To Delete Error Batch**

• Select ERRORS check box;

- Select the BATCH you wish to delete;
- Select the DELETE button;
- The system will ask if you are sure;
- Response of Y will cause the file to be deleted.

### VII. TYPES OF ERRORS - PREMIUMS

For a listing of Error Codes, please see Appendix P-2.

The error messages will reflect edit error conditions on your rejected risk/premium transactions, when you view the Premium Transaction Screen in **Correct**. The short bold message is initially displayed, with an option to access the larger more detailed description of data required, some with tips as to the probable cause of the error. (These messages are the same as those shown in Appendix P-2).

#### A. Error Corrections

The Facility Association Plan of Operation - Operating Principles contains the following compliance requirements for error remediation:

#### A. <u>INITIAL PROCEDURE</u>

Where a member is identified by the Association management as having a significantly higher than average error rate on an ongoing basis with respect to the submission of claims and/or premiums to the RSP, the following steps will be taken:

Step 1 – A letter will be sent by the Association to the President of the member outlining the edit listings with the errors, providing a contact name and number at the Association for assistance, and giving the member sixty days to correct the errors or submit an action for consideration:

Step 2 – If after the sixty days no significant improvement is noted by the Association and no action plan has been submitted to the Association, a second letter will be sent to the President of the member stating that if no significant improvement is noted within a further sixty days the member may no longer be entitled to cede risks to the RSP.

#### B. EXCLUSION FROM USE OF RSP

- (1) If, after the sixty day period referred to in Step 2, no significant improvement has been observed, the Board shall be so advised and may by resolution decide that the member shall no longer be authorized to cede risks to the RSP, and that all transactions with errors are to be removed from the RSP immediately and returned to the member.
- (2) If the Board decides that the member shall no longer be authorised to cede risks to the RSP the President of the member shall be advised of such decision in writing forthwith and of the transactions being returned to the member.

(3) A member that has been so advised may apply subsequently to the Board to reinstate and the Board may approve such reinstatement upon such terms and conditions as it may deem appropriate.

#### **Key Fields**

- POLICY NUMBER
- VEHICLE NUMBER
- TRANSFER DATE
- COMPANY NUMBER
- TRANSACTION CODE

#### **How To Correct Key Fields**

If the original Dispatch Date is required on correction of any key fields, <u>prior</u> to sending the transactions and within 30 days of the date of the Edit Listing, please refer to Item C – Special Handling:

- © Original BATCH CODE and ENTRY DATE
- \*New BATCH CODE and ENTRY DATE
- © COMPANY NUMBER and BRANCH CODE
- \*POLICY NUMBERS with their respective TRANSFER DATES and date originally sent to the Alberta Pool System.

## Correction of COMPANY NUMBER and/or POLICY NUMBER and/or VEHICLE NUMBER and/or TRANSACTION CODE.

When correcting these fields, you must cancel the risk transfer flat and retransmit the corrected original transaction.

To properly achieve a flat cancellation, you must ensure:

- that no claim has already been transferred (if there is, refer to Cancellation Of Risks With A Claim, page VI-5 for more information).
- that your TRANSACTION CODE 3 leaves no premium (original premium plus endorsement

When a risk has been accepted with an incorrect TRANSFER DATE (whether or not the EXPIRY DATE was correct) and you need to postdate the TRANSFER DATE:

- Transmit a flat cancellation (TRANSACTION CODE 3) using the incorrect TRANSFER DATE and the original EXPIRY DATE, crediting all premiums. (Refer to Cancellation of Risks With A Claim, if there is a claim).
- Transmit a rewrite (TRANSACTION CODE 9) and use the next consecutive ENTRY NUMBER and the correct TRANSFER and EXPIRY DATES.
- However, if the Transmit Date of the corrected transaction needs to be adjusted to reflect the original Transmit Date, fax to the Facility Association with your special request. (Refer to Note above).

#### **Correction of EXPIRY DATE**

When a risk has been accepted with an incorrect EXPIRY DATE (although the TRANSFER DATE is correct):

- Transmit a flat cancellation (TRANSACTION CODE 3) using the original TRANSFER
  DATE and the incorrect EXPIRY DATE, crediting all premiums. (Refer to Cancellation Of
  Risks With A Claim, if there is a claim).
- Transmit a rewrite (TRANSACTION CODE 9) using the next consecutive ENTRY NUMBER and the correct TRANSFER and EXPIRY DATES.

#### **Correction of BRANCH CODE**

Any subsequent accepted transaction using a new BRANCH CODE automatically changes the Alberta Pool System. However, if for accounting purposes or other reasons, you wish to correct the BRANCH CODE back to the TRANSFER DATE:

- Transmit a TRANSACTION CODE 9, using the <u>incorrect</u> BRANCH CODE with the original TRANSFER and EXPIRY DATES and credit all premiums.
- Transmit another TRANSACTION CODE 9, using the <u>correct</u> Branch Code, the original TRANSFER and EXPIRY DATES, the next consecutive ENTRY NUMBER and debit all premiums.

#### **Correction of AGENCY NUMBER**

When a risk has been accepted with an incorrect AGENCY NUMBER and you wish to correct the Alberta Pool System without any adjustment in premiums:

- Transmit a TRANSACTION CODE 9 showing only the POLICY NUMBER, new AGENCY NUMBER, TRANSFER and EXPIRY DATES, VEHICLE and ENTRY NUMBER (no coding in coverage and premium section is required).
- However, if you wish to allocate the premium to the correct AGENCY NUMBER:
  - 1. Transmit a TRANSACTION CODE 9 using the incorrect AGENCY NUMBER with the original TRANSFER and EXPIRY DATES and credit all premiums.
  - 2. Transmit a TRANSACTION CODE 9 using the correct AGENCY NUMBER with the original TRANSFER and EXPIRY DATES, the next consecutive ENTRY NUMBER and debit all premiums.

#### Correction of COVERAGE and/or LIMITS CODE

When a risk has been accepted with an incorrect COVERAGE and/or LIMITS CODE <u>and</u> the correction must be made <u>without any premium change</u>:

- 1. Transmit a TRANSACTION CODE 9 using the correct COVERAGE and/or LIMITS CODE and \$1. as the premium for each coverage to be corrected.
- 2. Transmit a TRANSACTION CODE 9 using the next consecutive ENTRY NUMBER, the correct COVERAGE and/or LIMITS CODE and \$1. credit as the premium for each corrected COVERAGE.

#### **Correction to Premium Refunded on Cancellation**

#### • ADDITIONAL PREMIUM REFUND

To transfer additional premium refund for a risk already cancelled in the Alberta Pool System, simply submit an additional cancellation (TRANSACTION CODE 3) using the same dates as the original cancellation (or if backdating, new cancellation date) showing the additional amount of refund. (Note: If there is no premium on any coverage you must code the coverage code with zero premium.)

#### • REDUCTION OF PREMIUM REFUND

When a risk has been cancelled with an incorrect return premium but with the correct Cancellation Date, and you need to increase the premium remaining in the Alberta Pool:

- 1. Transmit a reinstatement (TRANSACTION CODE 9) reversing the cancellation previously accepted. The same dates must be used, and the premium previously refunded (credited) must be debited.
- 2. Transmit a cancellation (TRANSACTION CODE 3) using the same dates as above, with the correct amount of refund.

#### Cancellation (for Correction Purposes) of Risks with a Claim

In order to rewrite the risk, you need to <u>transmit a flat cancellation</u>. However, occasionally a claim has been accepted, and the flat cancellation is rejected:

- 1. <u>Transmit</u> all necessary claim entries to <u>reverse</u> the paid losses and paid expenses previously accepted, <u>reduce</u> the reserve to NIL and <u>close</u> the claim; (Refer to How To Correct Key Fields in Section VII A.)
- 2. After all claim entries have been confirmed as accepted on a Claims Edit Listing:
  - Transmit the required flat cancellation, crediting all premiums.
  - <u>Transmit the correcting</u> reinstatement, debiting all premiums.
  - Transmit again all claim transactions that were reversed.
    - Transmit the <u>proper</u> closed payment entries (TRANSACTION CODE 3) to process the <u>proper</u> paid losses and if necessary, a reopening entry (TRANSACTION CODE 4) to set an amount of reserve as outstanding.
    - However, <u>if</u> the correcting rewrite a reinstatement <u>changed</u> the COMPANY NUMBER, POLICY NUMBER or VEHICLE NUMBER:
  - <u>Transmit</u> a new claim (TRANSACTION CODE 1) and the <u>proper</u> PAID LOSSES, PAID EXPENSES and RESERVES, all under the <u>correct</u> COMPANY NUMBER, POLICY NUMBER or VEHICLE NUMBER;

#### **How to Prevent Future Errors**

When you are correcting a Alberta Pool transaction, check to determine if your host system or file records needs to be corrected as well. In this way, you may avoid another Alberta Pool error when the next transaction for this policy or claim is generated.

Review your Edit Listings to ascertain your most frequent errors and take steps to prevent the recurrence of those errors by amending either your systems or your procedures. You might consider doing this on a regular basis.

#### **Delinquent Errors**

These are your responsibility to resolve. Rejected transactions will be shown once on the appropriate Premium or Claim Edit Listing. No further reports are issued by the Alberta Pool System.

Transactions in error cannot be accepted by the Alberta Pool System; the transfer of the risk is held in suspension; if the error is corrected within 30 days of the date of the Edit Listing, the original

Dispatch Date is used to verify TRANSFER DATE. If the errors are not corrected within 30 days, the risk must be retransmitted with a new TRANSFER DATE.

<u>Please Note:</u> Should you experience internal systems problems which make meeting this time frame impossible to transmit data when your system fails, contact the Facility Association to make special arrangements.

## **B.** Missing Batch

In the event that an entire batch is missing from an Edit Listing, you must immediately fax to the Facility Association for further instructions. Include in your fax the following information:

- Missing BATCH CODE and ENTRY DATE
- COMPANY NUMBER and BRANCH CODE
- •Total premium and record count for missing batch.

If an entire batch has been transmitted with an incorrect BATCH CODE, and if the BATCH CODE is a duplicate of a number previously used by you in the same week, the Alberta Pool System merges the 2 batches which creates an out-of-balance situation.

If an entire batch is transmitted with the incorrect COMPANY NUMBER, it will appear that a batch is missing from the Edit Listing. If this occurs, fax <u>immediately</u> to the Facility Association.

## C. What is Special Handling?

Special Handling is done by FA as per a Member Company's request. Through special handling, the original postmark date is re-assigned to the transfer of a risk.

There are 2 kinds of Special Handling:

- 1) Special Handling on rejected entries
- 2) Special Handling on accepted entries

#### When is special handling required?

Special Handling is required on a number of different cases:

#### 1. SPECIAL HANDLING ON REJECTED ENTRIES:

Special Handling is often required when an **original entry** (submitted with a transaction code A, B,

C, D or 9) is rejected for the following errors:

Ferror Code 070: Duplicate Entry for this risk Ferror Code 071: No Master on File for this risk

Because a transfer with an error code 070 or 071 is rejected, there is no postmark date retained in the master file for that transaction.

However, the postmark date which should be assigned to this risk will show on the Premium Edit Listing report and that is the postmark date that will be re-assigned to your transfer through the process of Special Handling.

Don't forget: Your special handling request must still be faxed to Facility Association within your 30 day window for correcting premium errors.

#### 2. SPECIAL HANDLING ON ACCEPTED ENTRIES:

When a risk is transferred to the Alberta Pool and accepted, key field information is retained in the Alberta Risk Sharing Pool System Master File. The combination of these key fields form the "header record".

The key fields are:

- 1) Company Number
- 2) Policy Number
- 3) Transfer Date
- 4) Vehicle Number
- 5) Transaction Code

If for any reason, you have to change any of these key fields, YOU WILL REQUIRE SPECIAL HANDLING IN ORDER TO RETAIN THE ORIGINAL POSTMARK DATE THAT WAS ASSIGNED TO THE ORIGINAL TRANSFER.

The key fields combined together (header record) are very much like a "DNA" coding... they form a unique combination. When a risk is transferred to the Alberta Pool, a postmark date is assigned to this unique combination.

The purpose of Special Handling is to retain this postmark date.

#### Why would I have to change a key field?

You may have to change a key field due to your own internal systems limitations, or because of a conflict between your system and ours or because of a simple typographical error.

#### EXAMPLES OF CASES WHERE KEY FIELDS MAY NEED TO BE CHANGED:

Your transfer has been accepted in the Alberta Pool, but:

#### 1) Your Company number is incorrect.

Your company may report under 2 numbers and you have sent it under Co. #1 instead of Company #2.

#### 2) You **Policy number** is incorrect.

Most people find this kind of mistake when they attempt to transfer an endorsement with the correct policy number, and they get an 071 error code for *No Master on File*.

or

Your policy number is correct but it needs to be changed for either administration purposes or because of the way your own system works.

#### 3) *Your Vehicle number* is incorrect.

Possibly a simple typographical error,

or

Your vehicle number is correct but it needs to be changed for administration purposes or because of the way your own system works.

#### 4) Your **Transfer date** is incorrect:

Possibly a simple typographical error,

or

Your transfer date is incorrect in regards to eligibility criteria, transaction code, information in your file, etc.

#### 5) Your **Transaction code** is incorrect.

This may be a simple typographical error,

or

Your transaction code is incorrect in regards to the type of transfer (New Business, renewal, mid-term transfer, etc.)

The above are examples only and constitute only a partial list of possible situations. Remember that these corrections may be initiated by yourself (the Member Company) to correct inaccurate data or they may have been requested by a Alberta Risk Sharing Pool Compliance Investigator as part of their Investigation report.

#### **How is Special Handling Done?**

#### 1) Create a Special Batch

Any batch transmitted to the Alberta Pool is assigned its own Postmark Date. Because the same

Postmark Date applies to every single transaction contained in a Batch, you must create a Special Batch to isolate the transaction(s) intended for Special Handling. Otherwise, other transactions could be assigned a wrong Postmark Date.

#### 2) Send a Fax to Facility Association

Fax a request to Facility Association (416-868-0894) giving us all the necessary information regarding your special handling. You must send your fax to Facility Association the same day you are transmitting your special batch.

Not all Special Handling requests are approved. They are only approved when your correction is done in accordance with the rules as stated in the Alberta Risk Sharing Pool Manual. For instance, if you request special Handling on a correction which is past your 30 day allowance, the request will be denied.

#### Your Fax Request for Special Handling must contain the following information:

- Original Edit List Number (Attach photocopy showing all relevant information),
- Company Number & BRANCH NUMBER,
- Old & Special Batch Number,
- Entry Date of your special batch,
- Policy Number, Vehicle Number (Old & New if that is being changed),
- Transaction code (Old & New if that is being changed),
- Total number of entries (called record count) in your special batch,
- Premium total in your special batch (it might be equal to \$0),
- Reason why special handling is required.

## **D. Premium Reports**

The Alberta Pool System produces 2 kinds of Premium Reports to assist you.

Premium Edit Listing - Refer to Figure VII-16 Premium Bordereau - Refer to Figure VII-17

#### **Premium Edit Listing**

The Alberta Pool System produces a Premium Edit Listing once a week which contains the batches received during the week; that is, from Monday to Sunday. If no batch has been received from you, then no Edit Listing is produced. This report has been designed:

• to assist you to identify rejected transactions.

- to assist you to verify the accuracy of the data on the Alberta Pool System.
- to assist you to confirm that your rejected transactions have been corrected and retransmitted.
- to assist you to ascertain your most frequent error in order to take steps to change the causes of errors.
- to assist you to determine your out-of-balance conditions.

Transactions in error are rejected entirely from the Alberta Pool System. The transfer of the risk is held in suspension. If the error is corrected within 30 days of the date of the Premium Edit Listing, the original Postmark Date is used to verify the TRANSFER DATE. Despite attempts to correct the error, no additional days are allowed. If the errors are not corrected within 30 days, the transfer is rejected entirely and the risk must be transmitted with a new Postmark Date and a new TRANSFER DATE.

Sequence and Content of the Premium Edit Listing:

#### 1. Branch Code Edit Listings

If you have notified the Operations Manager at the Facility Association of your BRANCH CODES and their location, the Alberta Pool System produces separate branch Edit Listings provided that a BRANCH CODE was transmitted. If you have used only one BRANCH CODE, only one Edit Listing is produced.

#### 2. Branch Code/Entry Month/Year Sequence

The batches on the Edit Listing appear in BATCH CODE sequence by ENTRY MONTH/DATE.

At the beginning of each batch, the ENTRY MONTH/YEAR and the Transmittal Date (Postmark Date) of the transmission is printed. This information applies to all transactions in the batch.

Each transaction on the Premium Edit Listing records data received by the Alberta Pool System, or if the data is not received on the current transaction, the fields are printed with data previously accepted by the Alberta Pool System. In addition, in the case of accepted transactions, the Transferred Amount, the Allowance Amount and the Net Balance are calculated by the Alberta Pool System.

#### 3. List of Transactions

Whether accepted or rejected, each transaction you enter appears as one item on the Edit Listing; however, 1 of your entries may appear as 2 or more lines, reflecting splits in the term on the master file.

#### 4. Differences from Transmitted Data

The following may also appear on the Edit Listing in a manner slightly different from the way you transmitted it.

#### • POLICY NUMBER

- If the first character of the POLICY NUMBER is numeric, zeros are added to the left until the POLICY NUMBER consists of nine (9) characters.
- If the POLICY NUMBER is prefixed by one or more ALPHABETIC CHARACTERS(S),
  - o zeros are added between the alphabetic and numeric characters until the field is filled.

#### AGENCY NUMBER

- If the first character of the AGENCY NUMBER is numeric, zeros are added to the left until the AGENCY CODE consists of five (5) characters.
- If the AGENCY NUMBER is prefixed by one or more alphabetic characters, zeros are added between the alphabetic and numeric characters until the field is filled.

#### • BRANCH CODE

The BRANCH CODE consists of two digits, right-end justified.

#### ASTERISK SIGN

Under the heading LATE, asterisks (\*\*) may appear indicating that

- an original transaction,
- a resubmission of a rejected original transaction,
- a resubmission or a rewrite,

has been assigned a Postmark Date which does not meet the requirements of the Alberta Risk Sharing Pool for the TRANSFER DATE entered.

You may wish to adjust the premium amount accordingly using the Postmark date to determine the actual TRANSFER DATE. Use a Code 9 to adjust the Premium. Failure to do so will in no way adversely affect the transfer of any claims within the valid transfer period.

#### • REWRITE AND RESUBMISSION MESSAGES

Immediately below a transaction on the Edit Listing, one of the following messages may appear showing the original Transmittal Date (Postmark Date).

ACCEPTED REWRITE - POSTMARK OF ORIGINAL ENTRY day, month, year REJECTED REWRITE - POSTMARK OF ORIGINAL ENTRY day, month, year ACCEPTED RESUBMISSION - POSTMARK OF ORIGINAL ENTRY day, month, year REJECTED RESUBMISSION - POSTMARK OF ORIGINAL ENTRY day, month, year

- A rewrite is an entry with TRANSACTION CODE A,B,C,D,E, or 9 on a risk previously accepted by the Alberta Pool System, subsequently CANCELLED

FLAT and now being rewritten.

- A Resubmission is an entry with TRANSACTION CODE A,B,C,D, or E where a previous original entry for the same risk and the same Transfer Period has been rejected by the Alberta Pool System.

#### ERRORS

Any error detected causes a rejection indicated by an error message immediately following the message REJECTED REWRITE or REJECTED RESUBMISSION.

#### 5. Edit Listing Totals

#### Batch Totals

At the end of each batch, the following totals are printed:

- Total Rejected for the batch
- Total Accepted for the batch
- Batch Actual Total, as calculated by the Alberta Pool System
- Batch Control Total, as transmitted

If the Batch Actual Total and the Batch Control Total amounts are not identical, a further line is printed to identify a "Batch out of balance" condition. (Refer to Section (VI) following.

#### Branch Totals

On the last page for each branch the amount accepted on the Premium Edit Listing is printed by ENTRY DATE and in total. This is followed by the amount accepted to-date for the current month and for each of the two (2) following ENTRY DATES.

#### Member Totals

For each Member, the premium transactions for all BRANCH CODES are again summarized in a manner similar to that described above. Furthermore, a summarization of the number of transaction processed for all branches in this current Premium Edit Listing and their related premiums is provided as follows, with appropriate percentages:

- debit entries, accepted
- debit entries, rejected
- credit entries, accepted
- credit entries, rejected
- all entries, accepted
- all entries, rejected

#### 6. "Batch Out Of Balance"

A "Batch Out Of Balance" condition is identified at the end of a batch. Each individual

transaction within the batch is accepted or rejected, depending on whether or not an error is detected for that transaction regardless of Batch Total.

When a batch is out of balance, it is your responsibility;

- to determine the cause of the error and
- transmit correcting entries, if necessary.

An out of balance condition may be caused by:

- incorrect totals recorded on the Trailer Record
- no action is required
- incorrect accepted premium amount under any coverages,
  - a correction must be transmitted to the Alberta Pool System
- transaction(s) not entered onto a Premium Transaction Screen or not transmitted to the Alberta Pool System. If the original Transmit Date (Postmark Date) is required, prior to transmitting the transaction and within 30 days of the date of the Edit Listing, fax a special request to the Facility Association with the following information:
- Original BATCH CODE and ENTRY MONTH/YEAR and Transmit Date (Postmark Date)
- New BATCH CODE and ENTRY MONTH/YEAR
- COMPANY NUMBER and BRANCH CODE
- POLICY NUMBER and TRANSFER DATE

#### 7. **Incorrect Dispatch Date**

Fax to the Facility Association immediately if a Premium Edit Listing indicates an incorrect Transmit Date (Postmark Date).

#### 8. **Definitions**

Most of the definitions for the data on this report are identified on the Definitions of Premium Transfer Fields as listed in Section VI. A. The following are the exceptions;

**Late** - filled with 2 asterisks (\*\*) when the Transmit Date (Postmark Date) does not meet the requirements of the Alberta Risk Sharing Pool, for the TRANSFER DATE entered.

**Transfer Percentage** - indicates the percentage of transfer this transaction is 100%.

**Transfer Amount** - the TOTAL PREMIUM of this transaction.

**Expense Allowance Amount** - an amount resulting from a calculation whereby the Expense Allowance % is applied to the TOTAL PREMIUM.

**Net Balance** - an amount resulting from a calculation, subtracting the Allowance Amount from the Transfer Amount.

#### **Premium Bordereau**

The Alberta Pool System produces a Premium Bordereau at the close of each month (5th working day of the next calendar month) listing all accepted risk/premium transaction, for the current ENTRY DATE. This report has been designed to:

- to assist you in determining the amount being transferred to the Alberta Pool for a given effective month for Accounting purposes
- to verify that all transactions you intended to transfer to the Alberta Pool were in fact accepted by the Alberta Pool System

#### 1. BRANCH CODE Bordereau

The Alberta Pool System produces, for those who have requested it, a separate Branch Bordereau provided that a BRANCH CODE was transmitted. If you have used only one BRANCH CODE, only one Premium Bordereau is produced.

#### 2. POLICY NUMBER Sequence

The transactions on the Bordereau are shown in sequence by POLICY NUMBERS. Each transaction shows the data received and any unchanged statistical data (if any) from data previously accepted by the Alberta Pool System. Each transaction shows, the transferred, the allowance and the net balance, as calculated by the Alberta Pool System.

Under the heading "LATE", asterisks(\*\*) may appear, indicating that an original transaction (or the previous original transaction for the same Transferred Period in the case of a rewrite or of a resubmission of an original transaction) has been assigned a Postmark Date which does not meet the requirements of the Alberta Risk Sharing Pool for the TRANSFER DATE entered.

#### 3. BRANCH TOTALS

On the last page for each branch, the risk/premium transactions are summarized by jurisdiction. For the current, each of the previous four policy years and all prior policy years combined, with a total for each group. A recap by jurisdiction and policy year combined with an overall total is also provided.

#### 4. MEMBER TOTALS

On the total page for each Member, the Risk/Premium Transactions for all branches are again summarized in a manner similar to that described in 3.

#### 5. BALANCE

The Premium Bordereau totals balance to the sum of the totals for a given ENTRY DATE provided on Premium Edit Listings previously sent to you, or to the to-date totals for a given ENTRY DATE provided on the last Premium Edit Listing sent to you.

#### 6. DATA DEFINITIONS

Most of the definitions for the data on this report are identical to the Definitions of Premium Transfer Fields as listed in Appendix P-1. The following are the exceptions:

**Transfer Percentage** - indicates the percentage of transfer on this transaction - 100%.

**Transferred Amount** – the amount transferred to Alberta Pool.

**Expense Allowance %** - the Expense Factor approved by the Board of Directors.

**Expense Allowance Amount** - an amount resulting from a calculation where the Allowance % is applied to the TOTAL PREMIUM.

**Net Balance** - an amount resulting from a calculation subtracting the Expense Allowance Amount from the Transfer Amount.

- (1) Premium Edit Listing
- (2) Premium Bordereau

# FACILITY ASSOCIATION ALBERTA RISK SHARING POOL PREMIUM EDIT LISTING

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# FACILITY ASSOCIATION ALBERTA RISK SHARING POOL PREMIUM EDIT LISTING

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# FACILITY ASSOCIATION ALBERTA RISK SHARING POOL PREMIUM BORDEREAU

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## VIII. TYPES OF ERRORS - CLAIMS

For a listing of Error Codes, please refer to the Error messages in Appendix C-2.

Error messages reflect edit error conditions on your rejected claim transaction, when you view the Claim Transaction Screen in **Correct**. The short bold message is initially displayed, with an option to access the larger more detailed description of data required, some with tips as to the probable cause of the error.

### A. Error Corrections

The Facility Association Plan of Operation - Operating Principles contains the following compliance requirements for error remediation:

#### A. <u>INITIAL PROCEDURE</u>

Where a member is identified by the Association management as having a significantly higher than average error rate on an ongoing basis with respect to the submission of claims and/or premiums to the RSP, the following steps will be taken:

Step 1 - a letter will be sent by the Association to the President of the member outlining the edit listings with the errors, providing a contact name and number at the Association for assistance, and giving the member sixty days to correct the errors or submit an action for consideration;

Step 2 – if after the sixty days no significant improvement is noted by the Association and no action plan has been submitted to the Association, a second letter will be sent to the President of the member stating that if no significant improvement is noted within a further sixty days the member may no longer be entitled to cede risks to the RSP.

#### B. EXCLUSION FROM USE OF RSP

- (1) If, after the sixty day period referred to in Step 2, no significant improvement has been observed, the Board shall be so advised and may by resolution decide that the member shall no longer be authorized to cede risks to the RSP, and that all transactions with errors are to be removed from the RSP immediately and returned to the member.
- (2) If the Board decides that the member shall no longer be authorised to cede risks to the RSP the President of the member shall be advised of such decision in writing forthwith and of the transactions being returned to the member.

(3) A member that has been so advised may apply subsequently to the Board to reinstate and the Board may approve such reinstatement upon such terms and conditions as it may deem appropriate.

#### **How to Correct Key Fields**

- Correction of POLICY NUMBER, DATE OF LOSS, VEHICLE NUMBER, CLAIM NUMBER, COVERAGE CODE or KIND OF LOSS:
  - When correcting these fields on previously accepted data you must close the existing claim data by transmitting a TRANSACTION CODE 3 showing the sum (as a credit) of all LOSS/EXPENSE PAYMENTS and outstanding reserves of all previously accepted transactions.
  - You must retransmit a new claim with correct information with a TRANSACTION CODE 1.
  - For claims with outstanding reserves, submit an entry showing the correct information and the amount shown in (1) above.
  - For claims which are closed submit only the LOSS/EXPENSE PAYMENT (without reserve) using correct information and TRANSACTION CODE 3.
  - In the case of a change DATE OF LOSS, submit a TRANSACTION CODE 1 entry (without payment or reserve change) to establish the claim with the new DATE OF LOSS at the same time as the TRANSACTION CODE 3.

#### Correction of BRANCH CODE

- A subsequent transaction accepted with a revised BRANCH CODE automatically changes the BRANCH CODE. However, if for accounting proposes or other reasons, you wish to correct the BRANCH CODE back to the establishment of the claim, as well as redirecting corrections submit the following entries:
- You must under the incorrect BRANCH CODE submit an entry reversing all LOSS and EXPENSE PAYMENTS and/or reserve previously accepted using TRANSACTION. CODE 3 if the file is not closed and CODE 3 if file is closed.
- You must submit an entry a week later under the correct branch to re-enter all loss and expense payments and/or reserve shown in (1) above using transaction, Code 4 if the file is not closed and Code 3 is used of the file is closed.

#### **How To Prevent Future Errors**

When you are correcting an Alberta Pool transaction, check to determine if your host system or file records needs to be corrected as well. In this way, you may avoid another Alberta Pool error when the next transaction for this policy or claim is generated.

#### **Claim Edit Listing**

The Alberta Pool System produces a Claim Edit Listing once a week which contains the batches received during the week. If no batch has been received from you, then no Edit Listing is produced.

This report has been designed:

- to assist you to verify the accuracy of the data recorded on the Alberta Pool System.
- to confirm that rejected transactions are corrected and retransmitted.
- to assist you to ascertain your most frequent error in order to take steps to remove the causes of errors.
- to determine out-of-balance conditions.

#### **Sequence and Contents of the Claim Edit Listing:**

#### 1. Branch Code Edit Listings

The Alberta Pool System produces for those who have requested it, separate branch Edit Listings provided that a BRANCH CODE was transmitted. If you have used only one BRANCH CODE, only one Edit Listing is produced.

#### 2. Branch Code/Entry Month/Year Sequence

The batches on the Edit Listing appear in BATCH CODE sequence by ENTRY, MONTH/YEAR.

At the beginning of each batch, the ENTRY MONTH and YEAR of the transmission is printed. This information applies to all transaction in the batch.

Each transaction on the Claim Edit Listing records data received by the Alberta Pool System on this claim transaction, or if the printed data is not received on the current transaction, the fields are printed with risk data previously accepted by the Alberta Pool System.

#### 3. List of Transactions

Whether accepted or rejected, each transaction appears as one item on the Edit Listing.

#### 4. Differences from Transmitted Data

The following may also appear on the Edit Listing in a manner slightly different from the way you transmitted it.

#### Claim Number

- If the first character of the CLAIM NUMBER is numeric, zeros are added to the left until the CLAIM NUMBER consists of ten (10) characters.
- If the CLAIM NUMBER is prefixed by one or more ALPHABETIC CHARACTERS(S), zeros are added between the alphabetic and numeric

characters until the field is filled.

#### Policy Number

- If the first character of the POLICY NUMBER is numeric, zeros are added to the left until the POLICY NUMBER consists of nine (9) characters.
- If the POLICY NUMBER is prefixed by one or more ALPHABETIC CHARACTERS(S),
- zeros are added between the alphabetic and numeric characters until the field is filled.

#### Agency Number

- If the first character of the AGENCY NUMBER is numeric, zeros are added to the left until the AGENCY CODE consists of five (5) characters.
- If the AGENCY NUMBER is prefixed by one or more alphabetic characters, zeros are added between the alphabetic and numeric characters until the field is filled.

#### Branch Code

- The BRANCH CODE consists of two digits, right-end justified.

#### Errors

- Any error detected causes a rejection indicated by an error message.

#### Date and Amounts

If a date or amount is non-numeric, the characters recorded are overwritten with  $\varphi$  for amounts and 0's for dates.

#### 5. Listing Totals

**Batch Totals** 

At the end of each batch, the following totals are printed:

- Total Rejected for the batch
- Total Accepted for the batch
- Batch Actual Total, as calculated by the Alberta Pool System
- Batch Control Total, as transmitted by you

If the Batch Actual Total and the Batch Control Total amounts are not identical, a further line is printed to identify a "Batch out of balance" condition.

#### **Branch Totals**

On the last page for each branch the amount accepted in this current Claim Edit Listing is printed by ENTRY MONTH/YEAR and in total. This is followed by the amount accepted to-date for the current month.

#### Member Totals

For each Member, the Claim Transactions for all BRANCH CODES are again summarized in a manner similar to that described above. Furthermore, a summation of the number of transactions processed for all branches in this current Claim Edit Listing and their related amounts is provided as follows, with appropriate percentages:

- entries with a decrease in reserve, accepted
- entries with a decrease in reserve, rejected
- entries with increase or no change in reserve, accepted
- entries with increase or no change in reserve, rejected
- all entries accepted
- all entries rejected

#### 6. Batch Out Of Balance

A "Batch out of balance" condition is identified at the end of a batch. Each individual transaction within the batch is accepted or rejected, depending on whether or not an error is detected for that transaction regardless of Batch Total.

When a batch is out of balance, it is your responsibility;

- to determine the cause of the error and
- transmit correcting entries if necessary.

An out of balance condition may be caused by:

- incorrect amounts recorded on the Transaction screens and therefore no action is required
- incorrect accepted amount, either payment, expense or reserve and therefore a correction must be transmitted to the Alberta Pool System
- transaction(s) not entered onto a Claim Transaction Screen or transmitted to the Alberta Pool System.

#### 7. Definitions

Most of the definitions for the data on this report are identified in the Definitions of Claim Transfer Fields as listed in Appendix C-1. or the Definitions of Premium Transfer Fields as listed in Section Appendix P-1. The following are the exceptions;

**Special Remittances** - an "S" in these fields indicates that an immediate reimbursement of a PAID LOSS AMOUNT and/or EXPENSE AMOUNT and Total Amount has been requested and processed.

#### Paid Loss Bordereau

The Alberta Pool System produces a Paid Loss Bordereau at the close of each month (5th business day of the next calendar month) listing all accepted transaction with PAID LOSS AMOUNTS and/or EXPENSE AMOUNTS, sorted by ENTRY MONTH. This report has been designed:

- to assist you in determining the amounts being transferred to the Alberta Pool for a given effective month for accounting purposes.
- to verify that all transactions you intended to transfer to the Alberta Pool were in fact accepted by the Alberta Pool System.

#### 1. Branch Code Bordereau:

If you wish Paid Loss Bordereau to be produced for each branch, write or fax to the Facility Association with your request. The Alberta Pool System can produce a separate Branch Bordereau. Provided you transmit a BRANCH CODE. If you used only 1 BRANCH CODE only 1 Bordereau is produced.

#### 2. CLAIM NUMBER Sequence:

The transactions on the Bordereau are shown in sequence by CLAIM NUMBER. Each transaction shows the data received and any unchanged data from data previously accepted by the Alberta Pool System, either Claim or Risk/Premium. Data regarding changes in reserve is not shown.

A transaction for which an immediate reimbursement (must be over \$100,000) has been processed is indicated by "S" immediately to the right of the "Paid Amounts" column.

#### 3. Branch Totals:

On the last page for each branch the PAID LOSS and EXPENSE transaction are summarized by jurisdiction.

#### 4. Member Totals:

On the total page for each Member all PAID LOSS transaction for all branches are again summarized in a manner similar to that described above. In addition, the immediate reimbursement ("S") are summarized.

#### 5. Balance:

The Paid Loss Bordereau totals balance to the sum of the totals for the current ENTRY MONTH provided on Claims Edit Listings previously sent to you or to the to-date totals for the current ENTRY MONTH provided on the last Claims Edit Listing sent to you.

#### 6. Data Definitions:

Most of the definitions for the data on this report are identical to the Definitions of Claim Transfer Fields as listed in Appendix C-1. or the Definitions of Premium Transfer Fields as listed in Section Appendix P-1. The following are not listed there.

Special - an "S" in this field indicates that an immediate reimbursement of a PAID LOSS

AMOUNT or an EXPENSE AMOUNT has been requested and processed. These amounts are totalled and subtracted from Total Net Balance.

**Transfer Percentage** - indicates the percentage of transfer (cession) on this transaction – is 100%.

#### **Open Claims Listing**

The Alberta Pool System produces and sends to you an Open Claim Listing at the close of each month (5th business day of the next calendar month). This report has been designed:

- to assist you in determining all claims that are outstanding.
- to verify that reserve transactions you intended to transfer to the Alberta Pool were in fact accepted by the Alberta Pool System.

The Open Claims Listing shows an entry for each CLAIM NUMBER/COVERAGE/KIND-OF-LOSS unique combinations which has been accepted by the Alberta Pool System and has not been closed. Each entry also shows the accompanying PAID LOSS AMOUNT and EXPENSE AMOUNT as well as the cumulative position of all RESERVE (change) AMOUNTS.

A CLAIM NUMBER/COVERAGE/KIND-OF-LOSS is considered to be closed only when the last transaction accepted was transmitted with TRANSACTION CODE 3, after which it will no longer appear on the Open Claims Listing.

#### 1. Branch Code Listing:

If you wish Open Claims Listings to be produced for each branch, write a fax to the Facility Association with your request. The Alberta Pool System can then produce a separate Branch Listing provided you transmit a BRANCH CODE. If you used only 1 BRANCH CODE, only 1 Listing is produced.

CLAIM NUMBER/COVERAGE/KIND-OF-LOSS combinations are shown on the Listing under the BRANCH CODE on the last accepted claim transaction

When a new BRANCH CODE is received and is different from the BRANCH CODE previously accepted, full claim history is reversed from the previous BRANCH CODE and is recorded under the new BRANCH CODE.

#### 2. Claim Number Sequence:

Claims on the Listing are shown in CLAIM NUMBER sequence by COVERAGE and KIND-OF-LOSS. If there is more than one COVERAGE/KIND-OF-LOSS for a CLAIM NUMBER a total for the claim is printed.

A recap for the province of all business and transfer years combined with an overall total is provided.

#### 3. Member Totals:

On the total pages for each Member, the reserves for all branches are again summarized in a manner similar to that described above.

#### 4. Balance:

The total reserves as of the 5th business day of the next calendar month can be balance by adding:

- total reserves at the end of the previous ENTRY MONTH
- to-date changes for the current ENTRY MONTH on the last Claims Edit Listing &
- the total on the Listing to effect the switch of claims between branches above.

## **D.** Reporting of Large Claims

You are required to report "Large Claims", on forms to be provided - a Bodily Injury Reserve Worksheet and a Large Claims Report.

These losses must be reported within 60 days of your knowledge of any of the above criteria on forms to be provided - a Bodily Injury Reserve Worksheet and Large Claims Report.

The Facility Association Claims Committee requires notice of any occurrence that has:

- An aggregate incurred loss of \$250,000 or more (total of all sub files).
- An incurred loss of \$100,000 or more for any one claimant.
- A policy limit reserve.
- A serious bodily injury including but not limited to:
  - fatality with dependents
  - brain damage
  - paraplegia or quadriplegia
  - amputation of a limb at or above the elbow or knee
  - serious disfigurement

These injuries must be reported regardless of your assessment of liability or the amount of the incurred loss.

• An Accident Benefit claim that results in a disability period of 2 years or more.

A Claim Committee, consisting of qualified member volunteers examines the record.

After examination, the Committee records its comments and forwards them to your Head Office with:

- a copy of the Large Claims Report

Completion of a Closing Notice is required on closing, showing payment and expenses (by kind of loss):

- reimbursement by the Alberta Risk Sharing Pool
- not reimbursed by the Alberta Risk Sharing Pool (as outlined below)

The Alberta Risk Sharing Pool accepts transfer for reimbursement of only the Claims Expenses listed below.

- First Party Legal supporting invoices must contain time & hourly charges and a description of disbursement.
  - Alternate Dispute Resolution Services
  - Accounting Services
  - Actuarial Services
  - Architectural Services
  - Engineering Services
  - Notarial Services
  - Court Stenographers' Transcripts
  - Coroners' Court Transcripts
  - Medical Reports
  - Autopsy Reports
  - Arbitration
  - Translations

Any item included in First Party Legal disbursement which is investigational (that is, Police Reports Surveillance Reports) is to be excluded from the amount transferred.

### E. Special Remittance

When the total amount paid by the member and recoverable from the Alberta Pool in respect of one accident exceeds \$100,000, the member may request a special Remittance from the Alberta Risk Sharing Pool.

Whenever a special Remittance is requested, it is necessary to submit as a proof of Loss, a copy (or photocopy) of the claim payment cheques(s) for which a special remittance is requested.

- (1) Claims Edit Listing
- (2) Paid Loss Bordereau
- (3) Open Claims Register

# FACILITY ASSOCIATION ALBERTA RISK SHARING POOL CLAIM EDIT LISTING

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# FACILITY ASSOCIATION ALBERTA RISK SHARING POOL CLAIM EDIT LISTING

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# FACILITY ASSOCIATION ALBERTA RISK SHARING POOL OPEN CLAIM REGISTER

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### IX. TRANSFER LIMIT REPORT

## A. (Monthly) Transfer Limit Report

This report is designed to advise your status regarding the Transfer Limit during any calendar year, as of year end. For groups of companies, all companies appear on one report and totalled.

#### **Definitions:**

Members Voluntary Private Passenger Non-Fleet Thrid Party Liability Direct Written Car Years. These car years are obtained from the Statistical Agency (IBC).

#### **Transfer Limit:**

An amount of cars years resulting from a calculation whereby the transfer limit for Grid risk is unlimited and for Non-Grid risk the transfer limit is 4% of the previous year's total Voluntary Private Passenger Non-Fleet Third Party Liability Direct Written Car Years less the number of grid risk private passenger non-fleet third party liability direct written car years ceded to the Alberta Pool by it in the same period.

#### **Members' Transfer in the Alberta Pool this Month:**

An amount of Voluntary Private Passenger Non-Fleet Third Party Liability Direct Written Car Years transferred (ceded) to the Alberta Risk Sharing Pool during the accounting month of this report (Grid and non-Grid).

#### **Percentage of Transfer Year-To-Date:**

A percentage calculated by applying the Transfer in the Alberta Pool, Year-to-date, to your Voluntary Private Passenger non-Fleet Third Party Liability Direct Written Car Years for the previous given calendar year less the number of grid risk private passenger non-fleet third party liability direct written car years ceded to the Alberta Pool by it in the same period.

Within a calendar year, you must not at any time exceed the 4% for Non-Grid Transfer Limit of your previous years' total Voluntary Private Passenger Non-Fleet Third Party Liability Direct Written Car Years less the number of grid risk private passenger non-fleet third party liability direct written car years ceded to the Alberta Pool by it in the same period.

- Once prior year data is available, monthly reports that include the percentage calculated against their previous year's total car years are distributed.
- If a member attempts to transfer a risk to the Alberta Pool after the member has reached the 4% non-grid transfer limit, that transfer is ineffective, the risk remains on the member's own account and the member is directed to remove the risk from the Alberta Pool. A member may appeal to the Provincial Operating Committee to

exceed the 4% non-grid transfer limit, even retroactively and the Board of Directors will be informed.

- A member approaching the 4% non-grid transfer limit receives a warning.
- A member who exceeds the 4% non-grid transfer limit is directed to remove risks, along with their attendant claims, from the Alberta Pool system, starting with the most recently transmitted New Business/Renewal/Additional Vehicle transactions continuing until the 4% non-grid transfer limit is reached.
- As a last resort, and only in the event that you fail to take appropriate action within a
  reasonable time, staff of the Facility Association will remove risks, along with their
  attendant claims, from the Alberta Pool System starting with the most recently New
  Business/Renewal/Additional Vehicle transaction continuing until 4% Transfer
  Limit is reached.

## **B.** Other Reports

Of the various reports produced by the Alberta Pool System, please refer to other sections for information about the following reports:

(WEEKLY) PREMIUM EDIT LISTING
(MONTHLY) PREMIUM BORDEREAU
(WEEKLY) CLAIM EDIT LISTING
(MONTHLY) PAID LOSS BORDEREAU
(MONTHLY) OPEN CLAIMS LISTING
(QUARTERLY) QUARTERLY REPORTS
(MONTHLY) OPERATIONAL REPORT
(MONTHLY) MANAGEMENT INFORMATION REPORT
YEAR END REPORTS

### **APPENDIX P-1**

#### **Definitions of Risk/Premium Transfer Fields**

#### **Risk Premiums**

### **Batching of Transaction – Premiums**

#### **General Information**

Each record must contain Record Identifier.

Risk/Premium Record = 1 Risk/Premium Trailer Record = 2

#### **#1. RECORD IDENTIFIER**

A one digit field (numeric) used to identify the record type (Premiums).

#### **#2. BATCH CODE**

A 3 digit field (alpha/numeric) used to identify the batch containing the transfer records.

#### **#3. ENTRY YEAR/MONTH**

A 6 digit field (numeric) used for the YEAR and MONTH in which the transaction record is to be processed.

- for future dated TRANSFER DATES use the year and month of the TRANSFER DATE, but this must not exceed 2 months in advance.
- for current or backdated transaction use the year and month of the current processing month.
- keep in mind that it is the ENTRY YEAR/MONTH that tells the Alberta Pool System which accounting month to book your transactions into, as seen on the Premium/Claims Bordereau, which is used for Sharing purposes.

#### **#4. COMPANY NUMBER**

A 3 digit code (numeric) assigned by the Statistical Agency (IBC) and used by the Alberta Risk Sharing Pool to identify each Member. A company group reporting under a single company number must ensure no other numbers are used.

#### **#5. BRANCH CODE**

A 2 digit code (alpha/numeric) transmitted to segregate your transactions by branch or service office. You must notify the Operations Vice President at the Facility Association of each branch office and location prior to use.

#### **#6. POLICY NUMBER**

A code of up to 9 digits (alpha/numeric) identifying the policy which contains the risk being transferred. This number must be identical on all subsequent entries. This field may have blanks or zeros, either left, right or centre filled.

#### #7. TRANSFER DATE

This is the year, month and date that the risk is being transferred to the Alberta Pool. A transfer becomes effective at 12:01 a.m. on the transfer date. On the record layout, the format is YYYYMMDD.

- •NEW BUSINESS SENT IN 15 DAYS: IF this transaction is new business or additional vehicle to you AND IF it is transmitted to the Alberta Pool within 15 days of the risk effective date, THEN the TRANSFER effective DATE is equal to the risk effective date.
- ●NEW BUSINESS SENT AFTER 15 DAYS: IF this transaction is new business or additional vehicle to you AND IF it is transmitted to the Alberta Pool after 15 days of the risk effective date, THEN the TRANSFER effective DATE is equal to the day after the transmittal or dispatch date.
- **•RENEWAL SENT BY THE RENEWAL DATE**: IF the transaction is a renewal to you AND IF it is transmitted to the Alberta Pool by the renewal effective date, THEN the TRANSFER effective DATE is equal to the Renewal date.
- **•RENEWAL SENT AFTER THE RENEWAL DATE**: IF the transaction is a renewal to you AND IF it is transmitted to the Alberta Pool after the renewal effective date, THEN the TRANSFER effective DATE is equal to the day after the transmittal.
- •MID-TERM CHANGES, CANCELLATIONS AND RE-INSTATEMENTS: The TRANSFER DATE to be used on the mid-term changes, cancellations and reinstatements will generally follow the effective date of such changes on your policy. For limitations and directions in specific cases, please refer to New Policies and Renewals, Changes/Cancellations/Reinstatements of Transfers in Section V-5 and V-6 of this manual.

**PLEASE NOTE**: Future dated transactions are possible up to two calendar months in advance.

#### **#8. EXPIRY DATE**

This is the year, month and day (YYYYMMDD) that coverage in the Alberta Pool will cease. Coverage expires at 12:01 a.m. on the EXPIRY DATE. On the record layout, the format is YYYYMMDD.

#### **#9. AGENCY CODE**

A 5 digit code (alpha/numeric) used to identify the agency/brokerage through which the risk is written.

#### **#10. TERRITORY CODES**

A 3 digit code (numeric) indicating the location as defined in the Automobile Statistical Plan (IBC):

## AUTOMOBILE STATISTICAL PLAN CODES

#### PROVINCE OF ALBERTA

STATISTICAL TERRITORY	Columns 41-43 Code
City of Calgary	101
Edmonton District Being Townships 52, 53 and 54, Ranges 23, 24 and 25, West of the 4 <sup>th</sup> Meridian which includes, but is not limited to, Edmonton City, Clover Bar, Greisbach Barracks, Lancaster Park, Namao, St. Albert, Sherwood Park and Winterburn	102
Northern District That portion of the Province of Alberta lying North of Latitude 55 degrees North, which includes but is not limited to, the Peace River Block	105
Medicine Hat - Lethbridge - Red Deer District The City of Medicine Hat and the Town of Redcliff The City of Lethbridge and The City of Red Deer	100
Remainder of Province South of Latitude 55 Degrees North	100

#### **#11. ENTRY NUMBER**

A 2 digit number that you assign <u>sequentially</u> (starting with "01") to clearly indicate to the Alberta Pool System the <u>sequence</u> in which the entries for each risk during a policy period are to be processed.

The entry number is "01" for the first entry on each risk (original transaction code) and is increased by one every time an entry for that risk is transmitted to the Alberta Risk Sharing Pool.

<u>Note</u>: For the purpose of <u>determining the sequence</u> of entry numbers, each vehicle and each "class 05 or 06" driver for which a separate premium is charged is considered to be a separate risk.

An entry with a TRANSACTION CODE 3 or 9 <u>can never</u> be an entry number "01". An entry with an original TRANSACTION CODE A, B, C, D, or E <u>must always</u> be an entry number "01".

Example:		Entry	Entry	Entry
		<u>Number</u>	<u>Number</u>	<u>Number</u>
	New Business with vehicle #01	01		
	Add New Vehicle #02		01	
	Substitute vehicle #01	02		
	Change coverage to vehicle #01	03		
	Add Class 05 or 06 operator			01
	Cancel policy:			
	Delete vehicle #01	04		
	Delete vehicle #02		02	
	Delete 05 or 06 operator			02

#### **#12. TRANSACTION CODE**

A 1 digit code (alpha/numeric) used to identify the type of entry transmitted. When more than one risk (vehicle) on a policy is being transferred to the Alberta Pool, each requires a separate entry. Also refer to Data Required for Common Business Transactions in Appendix P-3.

**CODE A** Used for the transfer of a risk which is "new business" to you. Transfer is effective the same date as the policy effective date if the entry is transmitted within 15 days of the policy effective date.

This code is also used for the transfer of a risk which is an additional vehicle to a policy, whether the original risk is in the Alberta Pool or remains on your own book. **Transfer is effective the date coverage on the vehicle is effective if the entry is transmitted within 15 days of the coverage effective date**.

**CODE B** Used for the transfer of a <u>renewal</u> effective the renewal date, covering business you have written on your account, but <u>had not transferred</u> during the previous term.

Such entries <u>must be transmitted on or before</u> your renewal date for the Alberta Pool transfer to be effective on the renewal date.

**CODE C** Used for the transfer of a <u>renewal</u> effective the renewal date, covering business you have written on your account, but <u>had transferred</u> during the previous policy term. **Such entries must be transmitted on or before your renewal date for the Alberta Pool** 

transfer to be effective on the renewal date.

**CODE D** Used for the transfer of any risk mid-term, or when a transfer described under codes A, B, C or E is made after the allowable transmittal period.

The transfer date must be the day after the transmittal date.

**CODE E** Used to transfer a "class 05 or 06" driver added mid-term to a risk already transferred to the Alberta Pool.

Transfer is effective the date the endorsement adding the 05 or 06 to the member's policy. The Member is required to transmit the 05 or 06 record and premium as soon as the 05 or 06 is added to the policy.

<u>Note</u>: A risk that was insured with the Facility Association in the previous term that you are now writing as new business must use TRANSACTION CODE A or D.

#### **CODE 3** Used for the following type of entries:

- -cancellation (flat or mid-term) of a transfer;
- -deletion of vehicle;
- -deletion of a "class 05 or 06" driver;
- -deletion of coverage(s) except temporary deletion of mandatory coverages;
- -further refund on coverages already deleted;
- -further refund on a deletion of a "class 05 or 06" driver;
- -further refund on a cancelled risk.

Cancellations may only be effective your cancellation effective date for the risk or the cancellation TRANSFER DATE (the day following the Dispatch Date).

<u>Notes:</u> On cancellations by registered letter, <u>show the actual cancellation date</u> not the date of the letter (that is, include the notice period).

- 1) On a transaction code 3, coverages to be cancelled with a corresponding premium amount equal to zero are acceptable if at least one of the coverage present has a corresponding premium amount not equal to zero. The total transaction premium for a risk to be cancelled <u>cannot be zero</u>.
- 2) Refer to notation #3 on the next page in the event that you are transferring additional premium on a risk that has either been successfully cancelled or for which coverage has been successfully deleted.

#### **CODE 9** Used for all other entries (with or without any premium change); for example:

- -change in the TERRITORY CODE.
- -change in Vehicle (Substitution of a vehicle)
- -change in the AGENCY NUMBER.
- -change in OPERATOR'S AGE.
- -change in the TYPE OF BUSINESS/TYPE OF USE.
- -change in the number of CHARGEABLE ACCIDENTS.
- -change in the number of MINOR CONVICTIONS.
- -change in the number of MAJOR CONVICTIONS.
- -change in the number of CRIMINAL CODE CONVICTIONS.
- -addition of coverage (COLLISION/ALL PERILS / COMPREHENSIVE / SPECIFIED PERILS EXTENDED ACCIDENT BENEFITS).
- -change in THIRD PARTY LIMITS.
- -change in DEDUCTIBLES.
- -change in PREMIUM.
- -change in the THIRD PARTY DRIVING RECORD and/or COLLISION / ALL PERILS DRIVING RECORD and/or ACCIDENT BENEFITS DRIVING RECORD.
- -Transfers of a reinstated risk.
- -Temporary suspension of mandatory coverage.
- 3) When you are transferring additional premium on a cancelled risk or on any coverage that has been deleted (as is the case when the client has remitted the earned premium demanded when the risk was cancelled for NSF reasons; or you are simply making a premium correction or adjustment):
  - process a **transaction code 9**, using the original transfer effective date and transfer the additional premium plus \$ 1.00 under each coverage that may be affected; then
  - process a **transaction code 3** using the cancellation effective date and "reclaim" the \$1.00 under each of the previously affected coverage.

#### **#13. VEHICLE NUMBER**

A <u>2 digit number</u> assigned by you to <u>uniquely identify</u> each <u>vehicle</u> which is transferred. The VEHICLE NUMBER must be the actual vehicle number on your policy.

- When entering the premium(s) for <u>an occasional driver (class 05/female or 06/male)</u> use the <u>same vehicle number</u> as that used for entering the premium(s) of the principal operator. And, if you reassign your vehicle numbers mid-term on your policy, transactions must be forwarded to the Alberta Pool System to ensure that the Alberta Pool VEHICLE NUMBERS are identical to the vehicle numbers you are using on your policy.
- In cases where the "class 05 or 06" driver is allowed to drive two or more vehicles on the same policy, and more than one of those vehicles have been transferred but only one

"class 05 or 06" premium is charged, use the number of the vehicle with the higher limits and/or lower deductibles.

In the following example, 01, 02 and 03 may be any number from 01 to 99. If you normally assign a vehicle number higher than 99 and if you wish to transfer that risk to the Alberta Pool, you must issue a new policy.

Example:	Vehicle <u>Number</u>	Vehicle <u>Number</u>	Vehicle <u>Number</u>
New Business with 1 vehicle	01		
Additional vehicle		02	
Substitute first vehicle	01		
Change coverage on substitution	01		
Add 06 Operator to second vehicle		02	
Delete second vehicle		02	
Delete 06 Operator	02		
Add vehicle (different effective			03
date from deletion effective			
date of second vehicle)			
Renewal (re-number, if desired)	01		02
Cancellation of policy:			
Delete first vehicle	01		
Delete second vehicle			02

#### **#14. TYPE OF BUSINESS**

A 1 digit field used to enter the Type of Business code as defined in the Automobile Statistical Plan (IBC):

#### Individually Rated

Other than Farmers	1
Farmers	2
Claim Free New Drivers, With Driver Training	8
Claim Free New Drivers, Without Driver Training	

\*8 is to be used only for those claim-free New Drivers who have graduated from an Approved Driver Training Course. Other claim-free New Drivers are to be coded 9. A "New Driver" is one who has held a permanent driver's license for less than 5 years. On renewal, after a claim or at the end of the five year period, the Type of Business would revert to code 1 or 2.

#### **#15.** TYPE OF USE

A 2 digit field (numeric) used to enter the TYPE OF USE code as defined in the Automobile

Statistical Plan (IBC):

#### CLASS 01

- Principal Operator is 25 years of age and over.
- Automobile used for pleasure only. No driving to and from work, no business, professional or vocational use.
- Annual mileage not to exceed 16,000 kilometres (10,000 miles).
- No MALE Driver under 25 years of age; no UNMARRIED FEMALE Driver under age 25 without Driver Training.
- Not more than two drivers per automobile in the household, each of whom has held a valid operators license for the past three years.

#### CLASS 02

- Principal Operator is 25 years of age and over.
- If automobile used for driving to and from work, one way mileage not to exceed 10 miles (16 km.).
- No MALE Driver under 25 years of age; no UNMARRIED FEMALE Driver under 25 years of age without Driver Training.
- Not more than 2 drivers per automobile in the household.

#### CLASS 03

- Principal Operator is 25 years of age and over.
- No Male Driver under 25 years of age.

#### CLASS 05 Occasional female driver (under age 25) CLASS 06 Occasional male driver (under age 25)

Where the principal use of the vehicle qualifies for codes 01, 02, 03 or 07 and a separate premium is charged for the occasional use by a female or male driver under the age of 25 years, ONE premium record will be required for Third Party Liability/Property Damage and one for Collision or All Perils if applicable.

The first record should be fully completed. The codes and the premiums recorded will be those applying to the principal use of the vehicle (01, 02, 03 or 07).

The second record should be fully completed using CODE 05 or CODE 06 for the type of use. The separate premium (or that portion of the policy premium) charged for the Occasional Female or Male Driver under age 25, should be entered in the

appropriate premium Columns. The premium totals of the two records when combined will equal the premium for the policy.

#### CLASS 07

- Automobile used for business purposes.
- Principal operator is 25 years of age and over.
- No MALE Drivers under 25 years of age.

#### CLASS 08

- Principal operator, whether applicant or not, married male under 21 years of age, residing with his spouse.

#### CLASS 09

Principal operator, whether applicant or not, married male under 25 years of age, but not under 21 years of age, residing with his spouse.

#### **CLASS 10**

Unmarried male principal operator, whether applicant or not, 16, 17 or 18 years of age.

#### CLASS 11

Unmarried male principal operator, whether applicant or not, 19 or 20 years of age.

#### CLASS 12

Unmarried male principal operator, whether applicant or not, 21 or 22 years of age.

#### CLASS 13

Unmarried male principal operator, whether applicant or not, 23 or 24 years of age.

#### CLASS 18

Principal operator, whether applicant or not, female under 21 years of age.

#### CLASS 19

Principal operator, whether applicant or not, female under 25 years of age, but not under 21 years of age.

#### **#16. OCCASIONAL DRIVER**

A 1 digit field (alpha). Place an X in this field if entering the premium for a class 05 or 06 driver and assign the same VEHICLE NUMBER as that used for the principal operator.

#### **#17.** OPERATOR'S AGE

A 2 digit field (numeric) used to enter the age of the principal operator of the vehicle. When transmitting a "class 05 or 06" entry, show the age of the occasional driver under 25 (if more than one, the youngest) and not the age of the principal operator.

#### **#18. YEARS LICENSED**

A 2 digit field (numeric) used to enter the actual number of years licensed of either the Principal Operator or the Class 05 or 06 Operator, as in the OPERATOR'S AGE.

#### #19. NUMBER OF CHARGEABLE ACCIDENTS

A 2 digit field (numeric) in which the number of chargeable accidents as of the DATE the risk is bound.

#### **#20.** NUMBER OF MINOR VIOLATIONS (TRAFFIC SAFETY CONVICTIONS)

A 2 digit field (numeric) in which the number of minor convictions is entered.

## #21. NUMBER OF MAJOR VIOLATIONS (SERIOUS TRAFFIC SAFETY CONVICTIONS)

A 2 digit field (numeric) in which the number of major convictions is entered.

#### **#22.** NUMBER OF CRIMINAL CODE CONVICTIONS

A 1 digit field (numeric) in which the number of criminal code convictions is entered.

#### #23. THIRD PARTY LIABILITY DRIVING RECORD

A 1 digit field (numeric) used to enter the driving record of the vehicle unless transmitting an entry for a class 06 driver, in which case the class 05 and 06 operator's driving record is entered.

#### Risks rated as having:

Less than 1 year's experience, without claim	0
1 years' experience, without claim	1
2 years' experience, without claim	2
3 years' experience, without claim	
4 years' experience, without claim	
5 years' experience, without claim	
6 years' experience, or more, without claim	

#### #24. THIRD PARTY LIABILITY COVERAGE CODE

A 2 digit field (numeric) used to enter the Third Party Liability Coverage Code as defined in the Automobile Statistical Plan (IBC). You must use 62.

#### **#25. THIRD PARTY LIABILITY LIMIT**

**Prior to July 1, 2005** a 1 digit field (numeric) used to enter the Third Party Liability Limits; as defined in the Automobile Statistical Plan (IBC).

\$ 200,000	2
\$ 300,000	
\$ 500,000	
\$1,000,000	
\$2,000,000	

After to July 1, 2005 a 1 digit field (numeric) used to enter the Third Party Liability Limits; as defined in the Automobile Statistical Plan (IBC).

\$ 200,000	2
\$ 250,000	
\$ 300,000	
\$ 400,000	
\$ 500,000	
\$ 750,000	
\$1,000,000	
\$2,000,000	
<b>4=,</b> 000,000	

Please be advised that these codes will apply to risks with effective dates on or after July 1, 2005 for Transaction Codes A, B, C, D and E. For Mid-Term transfer, Addition of Coverage and reinstatement of risk or coverage (Transactions Codes D, E, and 9) you can use either the old codes or new codes. These codes should correspond with the coverage codes as issues on the policy.

<u>Note</u>: If you are providing a limit in between two of the limits shown here, use the code for the higher limit.

#### #26. THIRD PARTY LIABILITY PREMIUM

A 7 digit field (numeric) used to enter the Third Party Liability Premium. For midterm transfers, the premium must be prorated. The premium must be preceded by a plus (+) or, if the premium amount is a credit, use the minus (-) sign in the left most position of the field.

This premium must include the premium for any endorsement affecting the Third Party Liability Coverage (for example: END No. 28 Reduction of Coverage as respects Operation by Named Person. Policy level endorsements affecting this Premium must be spread across vehicles on the policy and only the portion accruing to this risk is to be included (for example: Multi-Vehicle Discount). This premium must also exclude any service charges for your monthly payment plan.

#### #27. COLLISION/ALL PERILS DRIVING RECORD

A 1 digit field (numeric) used to enter the driving record of the vehicle unless transmitting an entry for a class 06 driver, in which case the class 05 and 06 driver's driving record is entered.

#### Risks rated as having:

Less than 1 year's experience, without claim	0
1 years' experience, without claim	1
2 years' experience, without claim	2
3 years' experience, without claim	
4 years' experience, without claim	
5 years' experience, without claim	
6 years' experience, or more, without claim	

#### #28. COLLISION/ALL PERILS COVERAGE CODE

A 2 digit field (numeric) used to enter the Collision/All Perils Coverage Code as defined in the Automobile Statistical Plan (IBC).

All Perils	
\$ 100 deductible	43
\$ 200 deductible	44
\$ 250 deductible	45
\$ 500 deductible	46
\$1000 deductible	47
Over \$1000 deductible	48
Other Deductible Coverages including Disappearing	
Deductible Coverage and others of a similar nature	49
Collision	
\$ 100 deductible	
\$ 200 deductible	34
\$ 250 deductible	35
\$ 500 deductible	36
\$1000 deductible	37
Over \$1,000 deductible	38
Other Deductible Coverages including Disappearing	
Deductible Coverage and others of a similar nature	39

#### #29. COLLISION/ALL PERILS PREMIUM

A 7 digit field (numeric) used to enter the Collision or All Perils premium charged for the risk or refunded (in dollars only). For midterm transactions, the premium must be prorated. If the premium amount is a credit, use a minus (-) sign in the left most position of the field. (The left most position of the field must be (+) for positive or (-) for negative or the entire field should be blank if you are not entering a COLLISION/ALL PERILS PREMIUM).

This premium must include the premium for any endorsement affecting the Collision/All Perils coverage (for example: END No.20 - Loss of Use). Policy level endorsements affecting this Premium must be spread across vehicles on the policy and only the portion accruing to this risk is to be included and assigned to this risk (for example: Multi-Vehicle Discount.) This premium must also exclude any service charges for your monthly payment plan.

#### #30. COMPREHENSIVE/SPECIFIED PERILS COVERAGE CODE

A 2 digit field (numeric) used to enter the Comprehensive/Specified Perils Coverage Code as defined in the Automobile Statistical Plan (IBC).

Comprehensive	
\$ 50 deductible	82
\$ 100 deductible	83
\$ 200 deductible	84
\$ 250 deductible	85
\$ 500 deductible	86
\$1000 deductible	87
Over \$1000 deductible	88
Other Deductible Coverages including Disappearing	
Deductible Coverage and others of a similar nature	89
Specified Perils	
\$ 50 deductible	22
\$ 100 deductible	23
\$ 200 deductible	24
\$ 250 deductible	
\$ 500 deductible	26
\$1000 deductible	27
Over \$1000 deductible	
Other Deductible Coverages including Disappearing	
Deductible Coverage and others of a similar nature	29

#### #31. COMPREHENSIVE/SPECIFIED PERILS PREMIUM

A 7 digit field (numeric) used to enter the Comprehensive or Specified Perils premium charged for the risk or refunded (in dollars only). For midterm transactions, the premium must be prorated. If the premium is a credit, use a minus (-) sign in the left most position of the field. (The left most position of the field must be (+) for positive or (-) for negative or the entire field should be blank if you are not entering a COMPREHENSIVE/SPECIFIED PERILS PREMIUM). This premium must also exclude any service charges for your monthly payment plan.

This premium must include the premium for any endorsement affecting the Comprehensive/Specified Perils (for example: END No. 13D - Deletion of Glass Coverage). Policy level endorsements affecting this Premium must be spread across vehicles on the policy and only the portion accruing to this risk is to be included.

#### **#33. ACCIDENT BENEFITS COVERAGE CODE**

A 2 digit field (numeric) used to enter the Accident Benefits Coverage Code as defined in the Automobile Statistical Plan (IBC).

#### #34. ACCIDENT BENEFITS PREMIUM

A 7 digit field (numeric) used to enter the Accident Benefits premium charged for the risk or refunded (in dollars only). For mid-term transactions, the premium must be prorated. If the premium is a credit, use a minus (-) sign in the left most position of the field. (The left most position of the field must be (+) for positive or (-) for negative or the entire field is blank if you are not entering an ACCIDENT BENEFITS PREMIUM).

#### #35. UNDERINSURED MOTORIST COVERAGE CODE

**Prior to July 1, 2005** a 1 digit field (numeric) used to enter the Third Party Liability Limits; as defined in the Automobile Statistical Plan (IBC).

\$ 200,000	2
\$ 300,000	
\$ 500,000	
\$1,000,000	
\$2,000,000	

**After to July 1, 2005** a 1 digit field (numeric) used to enter the Third Party Liability Limits; as defined in the Automobile Statistical Plan (IBC).

\$ 200,000	2
\$ 250,000	
\$ 300,000	
\$ 400,000	
\$ 500,000	5
\$ 750,000	C
\$1,000,000	6
\$2,000,000	D

Please be advised that these codes will apply to risks with effective dates on or after July 1, 2005 for Transaction Codes A, B, C, D and E. For Mid-Term transfer, Addition of Coverage and reinstatement of risk or coverage (Transactions Codes D, E, and 9) you can use either the old codes or new codes. These codes should correspond with the coverage codes as issues on the policy.

#### #36. UNDERINSURED MOTORIST PREMIUM

A 7 digit field (numeric) used to enter the Underinsured Motorist premium charged for the risk or refunded (in dollars only). For midterm transactions, the premium must be prorated. If the premium is a credit, use a minus (-) sign in the left most position of the field. (The left most position of the field must be (+) for positive or (-) for negative), or the entire field should be left blank if you are not entering an UNDER INSURED MOTORIST PREMIUM).

This premium must include the premium for any endorsement affecting this coverage. Policy level endorsements affecting this Premium must be spread across vehicles on the policy and only the portion accruing to this risk is to be included. This premium must also exclude any service charges for your monthly payment plans.

#### #37. TOTAL PREMIUMS

A 7 digit field (numeric) in which the total premium is to be entered. This must include all debit and credit premiums entered on this transaction record. (The left most position of the field must be (+) or for positive or (-) for negative or the entire field must be blank if you are not entering a TOTAL PREMIUM). This premium must also exclude any service charges for your monthly payment plan.

#### **#38. GRID INDICATOR**

A one digit field (ALPHA) used to indicate the Grid + Non-Grid risks. This indicator is required for transaction code A B C D + E.

## **APPENDIX P-2**

## **Error Codes**

The following error messages will reflect edit error conditions on your rejected risk/premium transactions, when you view the Premium Transaction Screen in **Correct**. The short bold message is initially displayed, with an option to access the larger more detailed description of data required, some with tips as to the probable cause of the error.

#### FIELD AND RELATIONSHIP ERRORS

FIELD NAME	ERR. NO.	ERROR MESSAGE	
COMPANY	001	Invalid Company Number	
NUMBER		The COMPANY NUMBER must be designated by the Statistical	
		Agency (IBC) for automobile.	
BRANCH CODE	002	Branch Code is Missing	
		The BRANCH CODE is mandatory.	
ENTRY	003	Invalid Entry Date	
MONTH/YEAR		The date on the batch control information must	
		be equal to the month in process or to the	
		next two months.	
BATCH CODE	004	Batch Code is Missing	
		The BATCH CODE is a mandatory field.	
POLICY	005	Policy Number is Missing	
NUMBER		The POLICY NUMBER is a mandatory field. An all-zero POLICY	
		NUMBER is considered missing.	
TRANSFER	007	Invalid Transfer Date	
DATE		The TRANSFER DATE must be formatted as YYYYMMDD and	
		represent an actual calendar date. For example, February 30 is an	
		invalid date.	
	008	Invalid Transfer Date/Expiry Date/Entry Date Combination	
		The TRANSFER DATE must be prior to the EXPIRY DATE, and	
		must not be greater than the ENTRY DATE.	
	009	Term of Risk Exceeds 12 Months	
		The period from the TRANSFER DATE to the EXPIRY DATE must	
		be 12 months or less.	
EXPIRY DATE	010	Invalid Expiry Date	
		The expiry date must be formatted as YYYYMMDD and represent an	
		actual calendar date. For example, February 30 is an invalid date.	
CHARGEABLE	011	No. of Chargeable Accidents is Invalid	
ACCIDENTS		The Number of CHARGEABLE ACCIDENTS must be a number in	
		the range of 00 - 99.	

Effective October 1, 2004

FIELD NAME	ERR. NO.	ERROR MESSAGE	
MINOR CONVICTIONS	012	No. of Minor Convictions is Invalid The Number of MINOR CONVICTIONS must be a number in the range 00 - 99.	
MAJOR CONVICTIONS	013	No. of Major Convictions is Invalid The Number of MAJOR CONVICTIONS must be a number in the range 0 - 9.	
CRIMINAL CODE CONVICTIONS	014	No. of Criminal Code Convictions is Invalid The No. of CRIMINAL CODE CONVICTIONS must be a number in the range 0 - 9.	
VEHICLE NUMBER	020	Invalid Vehicle Number The VEHICLE NUMBER must be a number from 01 to 99.	
OCCASIONAL DRIVER	021	Occasional Driver Invalid The OCCASIONAL DRIVER must be X or blank, where X indicates that the premium is for a class O5 or 06 driver.	
ENTRY NUMBER	022	Invalid Entry Number An original entry (TRANSACTION CODE A, B, C, D or E) - must have an ENTRY NUMBER of 01, and a subsequent entry (TRANSACTION CODE 3, or 9 - must have an ENTRY NUMBER 02 or greater; the ENTRY NUMBER must be a number.	
TERRITORY	023	Invalid Territory Code The TERRITORY CODE must be one of those listed in the Definitions of Premium Transfer Fields.	
	024	The Pool Is Not Operating In That Province The TERRITORY must be in a jurisdiction where the Pool is operational.	
TYPE OF BUSINESS	025	Invalid Type of Business Code TYPE OF BUSINESS Code must be 1, 2, 8 or 9.	
TYPE OF USE	027	Invalid Vehicle Number for Class 05 or 06 When the TYPE OF USE code is 05 or 06, the OCCASIONAL DRIVER must be X and you must use the same vehicle number as that used for the principal operator.	
	028	Invalid Type of Use Code The TYPE OF USE must be listed in the Definitions of Premium Transfer Fields.	
	029	Class 05 or 06 With An Invalid Coverage When the TYPE OF USE is 05 or 06, only THIRD PARTY, LIABILITY, ACCIDENT BENEFITS and ALL PERILS/COLLISION is acceptable.	

FIELD NAME	ERR. NO.		ERROR MESSAGE	
OPERATOR'S	030	Invalid Age/Type of Use Relationship		
AGE		The following relationship must exist:		
		Type of Use	Age	
		01, 02, 03	25 or more	
		05, 06	under 25	
		08 and 18	under 21	
		09 and 19	21 to 24	
		10	18 years or less	
		11	19, 20	
		12	21, 22	
		13	23, 24	
	031	Invalid Years License		
			ED must be a number in the range of 00 - 99.	
Transaction Code	032	Invalid Transaction C		
		The TRANSACTION	CODE must be A, B, C, D, E, 3 or 9.	
	037	Transaction Code 3 -	Cancellation - with Invalid Non-Credit	
		Premiums		
		A cancellation, or delet	ion of a coverage - TRANSACTION CODE 3	
		- Return premiums on the transaction must not exceed the premiums		
		charged.		
	038	Transaction Codes A, B, C, D or E with Invalid Credit Premium		
		An original entry (new business, renewal or mid term transfer) -		
		TRANSACTION CODES A, B, C, D or E must have premiums in a debit position.		
TPL DRIVING	039	Third Party Liability Driving Record Missing		
RECORD	039	, , ,		
RECORD		The Third Party Liability Driving Record code is required when Third Party Liability Coverage Code or Premium is entered.		
	040		Invalid Third Party Liability Driving Record	
	040	The Third Party Liability Driving Record must be 0, 1, 2, 3, 4, 5 or 6.		
TPL COVERAGE	041	Invalid Third Party Liability Coverage Code		
CODE	0.11	The Third Party Coverage Code must be 62.		
TPL LIMIT	042	Invalid Third Party Liability Limit Code		
			IABILITY LIMIT code must be one of those	
		listed in the Definitions	of Premium Transfer Fields. The maximum	
		allowable limit is \$2,00	0,000.	
TPL PREMIUM	043	Third Party Liability	Premium is Not Numeric or Missing	
			TY LIABILITY COVERAGE CODE has	
		been recorded, the THI	RD PARTY LIABILITY PREMIUM must be	
		present and must be a number.		
ACCIDENT	047	Invalid Accident Bene		
BENEFIT			Coverage Code must be 78.	
COVERAGE				
CODE				
A/B PREMIUM	048	Accident Benefits Pre	mium Not Numeric or Missing	
			efits coverage is recorded, the Accident	
			be present and must be a number.	

FIELD NAME	ERR. NO.	ERROR MESSAGE
UNDER- INSURED MOTORIST COVERAGE	049	Invalid Underinsured Motorist Coverage When an UNDERINSURED MOTORIST PREMIUM (S.E.F. No.44) is recorded, the UNDERINSURED MOTORIST coverage must be (00, 02, 03, 05, 06, 07)
UNDER- INSURED MOTORIST PREMIUM	050	Underinsured Premium Not Numeric When an UNDERINSURED MOTORIST COVERAGE (S.E.F. No.44) is recorded, the premium must be numeric.
COLLISION/ ALL PERILS DRIVING RECORD	052	Invalid Collision/All Perils Driving Record The COLLISION/ALL PERILS DRIVING RECORD must be 0, 1, 2, 3, 4, 5 or 6.
	053	Collision/All Perils Driving Record Missing When a COLLISION/ALL PERILS COVERAGE code is recorded, the COLLISION/ALL PERILS DRIVING RECORD must be present.
COLLISION/ALL PERILS Coverage Code	054	Invalid Collision/All Perils Coverage Code The Collision Coverage code must be 33 to 39 and the All Perils Coverage Code must be 43 to 49.
COLLISION/ALL PERILS PREMIUM	055	Collision/All Perils Premium Not Numeric or Missing When the COLLISION/ALL PERILS COVERAGE code is recorded, the COLLISION/ALL PERILS PREMIUM must be present and must be a number.
COMP/SPECI- FIED PERILS COVERAGE CODE	056	Invalid Comprehensive/Specified Perils Coverage Code The Comprehensive Coverage Code must be 82 to 89 and the Specified Perils Coverage Code must be 22 to 29.
COMP/SPECI- FIED PERILS PREMIUM	057	Comprehensive/Specified Perils Premium not Numeric or Missing When a COMPREHENSIVE/SPECIFIED PERILS COVERAGE code is recorded, the COMPREHENSIVE/SPECIFIED PERILS PREMIUM must be present and must be a number.
Total Premium	062	Total Premium Does Not Equal the Sum of the Individual Premiums The Total Premium field is mandatory.
	063	Risk Not Eligible for the Pool The risk point value for this risk (TRANSACTION CODES A,B,C,D) is not eligible for the Pool.
Grid Indicator	219	Grid Indicator invalid Valid values should be "Y" and "N" for transactions A, B, C, D and E.
Agency Code	221	Agency Code invalid Agency code can be blank, or ALPHA/Numeric. No special characters.

# EDITS AGAINST PREVIOUSLY ACCEPTED DATA

ERROR NO.	ERROR MESSAGE
064	Total Premium is zero on a cancellation  There must be at least one premium amount coded on a Cancellation.
065	All Perils is not Valid with Comprehensive/Specified Perils All Perils is not valid with Comprehensive/Specified Perils coverages.
070	Duplicate Original Entry for this Risk  An original entry (new business, renewal, mid term transfer or additional vehicle - TRANSACTION CODE A, B, C, D, E) is transmitted to transfer a risk for a period which overlaps a risk period already on the Alberta Pool System for the same COMPANY NUMBER/POLICY NUMBER/VEHICLE NUMBER which is either in force or has not been cancelled flat. Check COMPANY NUMBER, POLICY NUMBER, VEHICLE NUMBER, TRANSFER DATE and EXPIRY DATE for accuracy on this transaction and the previous transaction. If you are rewriting the risk, be sure your flat cancellation has been accepted.
071	No Master on file for this Risk  A subsequent entry is transmitted (transaction code 3 or 9) but there is no record on the Alberta Pool System for the risk under the COMPANY NUMBER/POLICY NUMBER/VEHICLE NUMBER/TRANSFER DATE and EXPIRY DATE compatible with the TRANSFER DATE of this entry. Check COMPANY NUMBER, POLICY NUMBER, VEHICLE NUMBER, TRANSFER DATE and EXPIRY DATE for accuracy on this and the previous transaction. Check that your original entry has been accepted by the Alberta Pool System.
072	No Principal Operator Transferred for Period of Occasional Driver  An original entry (new business, renewal, additional vehicle or mid term transfer - TRANSACTION CODE A, B, C, D, E) is transmitted with an occasional driver but there is no record on the Alberta Pool System for the principal operator under the same COMPANY NUMBER/POLICY NUMBER/VEHICLE NUMBER/TRANSFER DATE and EXPIRY DATE that includes the Transfer Period now recorded.
073	Cancellation Coverage for Which a Claim was Reported A cancellation, or deletion of coverage entry (TRANSACTION CODE 3) is transmitted which cancels - a coverage from a date equal to or prior to the loss date of a claim reported under that coverage and which is still open, or, which is closed and for which payments have been made.  Usually caused by an error in the cancellation date.  If you are cancelling a risk flat prior to rewriting and such a rejection occurs, it will be necessary: - to reverse all payments and - close the claim, - then cancel all coverages flat prior to rewriting the risk and processing the necessary claim transactions again refer to "How to Correct Key Fields", in Section VI C.

ERROR NO.	ERROR MESSAGE
074	<ul> <li>Transfer or Expiry Date is Out of Range of Original A subsequent entry (Transaction Code 3, or 9) is transmitted for a COMPANY NUMBER/POLICY NUMBER/VEHICLE NUMBER which is on the Alberta Pool System - but one of the following three conditions exist: - the TRANSFER DATE of the entry does not fall within a Transfer Period already on the Alberta Pool System.</li> <li>the EXPIRY DATE of the entry does not fall within a Transfer Period already on the Alberta Pool System.</li> <li>the TRANSFER and EXPIRY DATES of the entry fall within two different transfer periods already on the Alberta Pool System.</li> </ul>
	<ul> <li>Usually caused by an error</li> <li>in POLICY NUMBER, VEHICLE NUMBER or TRANSFER/EXPIRY DATES on the current entry</li> <li>by the fact that the original entry for the risk has been rejected and not yet been retransmitted.</li> <li>it can also be caused by an error in the TRANSFER/EXPIRY DATES of the original entry.</li> </ul>
075	No Master on File for Class 05 or 06 Transfer The entry for a class 05 or 06 risk was the first or only risk transmitted under that POLICY NUMBER for the Transfer Period on the Alberta Pool System.
076	Change On A Coverage Previously Cancelled An entry with TRANSACTION CODE 9 and crediting at least one of the coverages for a period of a risk which is recorded as being cancelled.  Note that an entry with TRANSACTION CODE 9 and debit premiums is processed as a reinstatement or a rewrite if the risk was previously cancelled.
077	Transaction Has Reduced Part of the Transfer Period on any of these coverages to zero - (Third Party Liability, or Accident Benefits.  A risk cannot remain in the Alberta Pool if a TRANSACTION CODE 3 cancels the THIRD PARTY LIABILITY COVERAGES and/or ACCIDENT BENEFITS COVERAGE. Other coverages may not remain in force. This error will also occur if you attempt to endorse or reinstate a policy which has been previously cancelled, unless your endorsement or reinstatement includes mandatory coverage codes.  Please note when temporarily suspending coverages, use a Code 9 to avoid this error.
078	Coverage Premium Reduced to a Credit Position  A refund amount for at least one of the coverages exceeds the premium previously transferred to the Alberta Pool.
079	Change of Class From/To 05 or 06 creating an Invalid Vehicle Number The entry shows TYPE OF USE 05 or 06 but the TYPE OF USE on the Alberta Pool System was not 06, or vice versa.

# Data required for Common Business Transactions – Risk Premiums

# **Single Transactions**

B = If no change in data required, leave as blanks or transmit unchanged data.  M = Mandatory – required for all transactions.  M* = Mandatory for an 06 operator.  M** = Not mandatory for an 06 operator.		O = Optional. R = Zero is acceptable. T = Required if data are being downloaded from your system. X = Not necessary		
Field Name	New Business Renewals Add Class 06 Add New Veh.	All Risk/Premium Changes	Cancellation Del. Veh./06 Del. Coverage Del. Collision	If no changes leave blank or transmit unchanged data
Transaction	A, B, C, D or E	9	3	
Record Identifier	Т	Т	T	
Batch Code	M	M	M	
Entry Year/Month	M	M	M	
Company number	M	M	M	
Branch Code	M	M	M	
Policy Number	M	M	M	
Transfer Date	M	M	M	
Expiry Date	M	M	M	
Agency Code	О	X	X	В
Territory	M	X	X	В
Entry Number	M	M	M	
Vehicle Number	M	M	M	
Type of Business	M	X	X	В
Type of Use	M	X (M*)	X (M*)	В
Occasional Driver	О	X	X	В
Operator's Age	M	X	X	В
Years Licensed	M	X	X	В
Number of Chargeable Accidents	R	Х	X	X

B = If no change in data reconstruction or transmit unchanged of M = Mandatory – required for M* = Mandatory for an 06 or M** = Not mandatory for an 0	lata. or all transactions. perator.	s O = Optional. R = Zero is acceptable. T = Required if data are being downloaded from yo system. X = Not necessary		
Field Name	New Business Renewals Add Class 06 Add New Veh.	All Risk/Premium Changes	Cancellation Del. Veh./06 Del. Coverage Del. Collision	If no changes leave blank or transmit unchanged data
Number of Minor Convictions	R	X	X	X
Number of Major Convictions	R	X	X	X
Number of Criminal Code Convictions	R	X	X	X
Third Party Liab Driving Record	M	X	X	X
Third Party Liab. Limit	M	X	M	X
Third Party Liab. Coverage Code	М	X	М	X
Third Party Liab. Premium	M	X	M	X
Accident Benefits Coverage Code	M (M**)	X	X	В
Accident Benefits Premium	M (M**)	X	X	В
Coll./All Perils Driving Record	О	X	X	X
Coll./All Perils Coverage Code	О	X	X	X
Coll./All Perils Premium	О	X	X	X
Comp./S.P. Coverage Code	О	X	X	X
Comp./S.P. Premium	О	X	X	X
Under Insured Motorist Coverage Code (SEF 44)	O	X	X	X
Underinsured Motorist Premium	О	X	X	X
Grid Indicator	M	X	X	X
Total Premiums	R	If premium entered	R	X
Filler	T	Т	T	Т

# **Risk/Premium Record**

#	Field Name	Trme	Longth	Format	Position	
#	rieid Name	Type	Length	rormat	Start	End
1	Record Identifier	Numeric	1	Value = 1	1	1
2	Batch Code	Alphanumeric	3	CCC	2	4
3	Entry Year/Month	Numeric	6	YYYYMM	5	10
4	Company Number	Numeric	3	999	11	13
5	Branch Code	Alphanumeric	2	CC	14	15
6	Policy Number	Alphanumeric	9	CCCCCCCC	16	24
7	Transfer Date	Numeric	8	YYYYMMDD	25	32
8	Expiry Date	Numeric	8	YYYYMMDD	33	40
9	Agency Code	Alphanumeric	5	CCCCC	41	45
10	Territory Code	Numeric	3	999	46	48
11	Entry Number	Numeric	2	99	49	50
12	Transaction Code	Alphanumeric	1	C	51	51
13	Vehicle Number	Numeric	2	99	52	53
14	Type of Business	Numeric	1	9	54	54
15	Type of Use	Numeric	2	99	55	56
16	Occasional Driver	Alphanumeric	1	C	57	57
17	Operator's Age	Numeric	2	99	58	59
18	Years Licensed	Numeric	2	99	60	61
19	Number of Chargeable Accidents	Numeric	2	99	62	63
20	Number of Minor Violations	Numeric	2	99	64	65
21	Number of Major Violations	Numeric	2	99	66	67
22	Number of Criminal Code Convictions	Numeric	1	9	68	68
23	Third Party Liability Driving Record	Numeric	1	9	69	69
24	Third Party Liability Coverage Code	Numeric	2	99	70	71
25	Third Party Liability Limit	Numeric	1	9	72	72
26	Third Party Liability Premium	Numeric	7	S999999	73	79
27	Collision / All Perils Driving Record	Numeric	1	9	80	80

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#	Field Name	Tymo	Longth	Format	Position	
#	Field Name	Туре	Length	rormat	Start	End
28	Collision / All Perils	Numeric	2	99	81	82
	Coverage Code					
29	Collision / All Perils	Numeric	7	S999999	83	89
	Premium					
30	Comprehensive /	Numeric	2	99	90	91
	Specified Perils					
	Coverage Code					
31	Comprehensive /	Numeric	7	S999999	92	98
	Specified Perils					
	Premium					
32	Filler	Spaces	1	Blanks	99	99
33	Accident Benefits	Numeric	2	99	100	101
	Coverage Code					
34	Accident Benefits	Numeric	7	S999999	102	108
	Premium					
35	Underinsured Motorist	Numeric	2	99	109	110
	Coverage Code					
36	Underinsured Motorist	Numeric	7	S999999	111	117
	Premium					
37	Total Premiums	Numeric	7	S999999	118	124
38	Grid Indicator	Alpha	1	C	125	125
39	Filler	Spaces	75	Blanks	126	200

#### Footnote:

C Any value between A-Z and 0-9

9 Any value between 0-9

S +, - or Blank where + and Blank are the same

DD Day MM Month YYYY Year

- 1. Signed numeric must be (+ or -) (leading zeros) (value) or, if no value, then blank.
- 2. Example entering -9 in a field \$9999 = -0009.
- 3. Unsigned numeric must be (leading zeros)(value) or, if no value, then blank.
- 4. Example entering 9 in a field 99 = 09.

# Risk/Premium Record Trailer

#	Field Name	Туре	Length	Format	Posi	ition
#	Field Name	Туре	Lengui	rormat	Start	End
1	Record Identifier	Numeric	1	Value = 2	1	1
2	Batch Code	Alphanumeric	3	CCC	2	4
3	Entry Year/Month	Numeric	6	YYYYMM	5	10
4	Company Number	Numeric	3	999	11	13
5	Branch Code	Alphanumeric	2	CC	14	15
6	Record Count	Numeric	5	99999	16	20
7	Total All Total	Numeric	12	S9999999999	21	32
	Premiums					
8	Filler	Blanks	168	Value = Blank	33	200

#### Footnote:

C Any value between A-Z and 0-9

9 Any value between 0-9

S +, - or Blank, where + and Blank are the same

DD Day MM Month YYYY Year

- 1. Signed numeric must be (+ or -) (leading zeros) (value) or, if no value, then blank.
- 2. Example entering -9 in a field 9999 = -0009
- 2. Unsigned numeric must be (leading zeros)(value) or, if no value, then blank.
- 4. Example entering 9 in a field 99 = 09.

# **Claims Record**

#	Field Name	Туре	Length	Format	Posit	ion
		<b>V</b> 1	J		Start	End
1	Record Type	Numeric	1	Value = 3	1	1
2	Batch Code	Alphanumeric	3	CCC	2	4
3	Entry Year/Month	Numeric	6	YYYYMM	5	10
4	Company Number	Numeric	3	999	11	13
5	Branch Code	Alphanumeric	2	CC	14	15
6	Policy Number	Alphanumeric	9	CCCCCCCC	16	24
7	Vehicle Number	Numeric	2	99	25	26
8	Occasional Driver	Alphanumeric	1	C	27	27
9	Claim Number	Alphanumeric	10	CCCCCCCCC	28	37
10	Date of Loss	Numeric	8	YYYYMMDD	38	45
11	Filler	Spaces	2	Blanks	46	47
12	Kind of Loss	Numeric	2	99	48	49
13	Paid Amount	Numeric	8	S9999999	50	57
14	Paid Expense Amount	Numeric	7	S999999	58	64
15	Reserve Amount	Numeric	8	S9999999	65	72
16	Transaction Code	Alphanumeric	1	C	73	73
17	Expense Code	Alphanumeric	1	C	74	74
18	Excluded Driver	Alphanumeric	1	C	75	75
19	Coverage Code	Alphanumeric	2	99	76	77
20	Filler	Spaces	123	Blanks	78	200

#### Footnote:

C Any value between A-Z and 0-9

9 Any value between 0-9

S +, - or Blank, where + and Blank are the same

DD Day MM Month YYYY Year

- 1. Signed numeric must be (+ or -) (leading zeros) (value) or, if no value, then blank.
- Example entering -9 in a field s9999 = -0009.
- 3. Unsigned numeric must be (leading zeros)(value) or, if no value, then blank.
- 4. Example entering 9 in a field 99 = 09.

# **Claims Trailer Record**

#	Field Name	Туре	Length	Format	Posi	tion
					Start	End
1	Record Identifier	Numeric	1	Value = 4	1	1
2	Batch Code	Alphanumeric	3	CCC	2	4
3	Entry Year/Month	Numeric	6	YYYYMM	5	10
4	Company Number	Numeric	3	999	11	13
5	Branch Code	Alphanumeric	2	CC	14	15
6	Record Count	Numeric	5	99999	16	20
7	Total All Paid	Numeric	13	S99999999999	21	33
	Amounts					
8	Total All Expense	Numeric	12	S9999999999	34	45
	Amounts					
9	Total All Reserve	Numeric	13	S99999999999	46	58
	Amounts					
10	Filler	Blanks	142	Value = Blank	59	200

#### Footnote:

C Any value between A-Z and 0-9

9 Any value between 0-9

S +, - or Blank, where + and Blank are the same

DD Day MM Month YYYY Year

- 1. Signed numeric must be (+ or -) (leading zeros) (value) or, if no value, then blank.
- 2. Example entering -9 in a field 9999 = -0009.
- 3. Unsigned numeric must be (leading zeros)(value) or, if no value, then blank.
- 4. Example entering 9 in a field 99 = 09.

# **Appendix C-1**

# **Definitions of Claim Transfer Fields**

#### **Claims**

# **Batching of Transmission – Claims**

#### **General Information**

Each record must contain Record Identifier.

Claims Record = 3 Claims Trailer Record = 4

#### **#1. RECORD IDENTIFIER**

A one digit field (numeric) used to identify the record type (Claims).

#### **#2.** BATCH CODE

A 3 digit field (alpha/numeric) used to identify the batch containing the transfer records. You should use numeric BATCH CODES; alpha BATCH CODES are reserved for use at the direction of the Facility Association for special handling (left zero fill-no blanks)

#### #3. ENTRY DATE

A 6 digit field (numeric) used for the year and current month in which the transaction record is to be processed by to the Alberta Pool. To facilitate both main frame and users of the Fact Application and PC Operators, the date format is YYYYMM.

#### **#4.** COMPANY NUMBER

A 3 digit code (numeric) assigned by the Statistical Agency (IBC) and used by the Alberta Risk Sharing Pool to identify each Member. A company group reporting under one company number must ensure no other numbers are used.

#### **#5.** BRANCH CODE

A 2 digit code (alpha/numeric) transmitted to segregate your transactions by branch or service office. This is used to identify the destination address for transmission of errors. If you only have one location, enter 00. You must notify the Vice President of Operations at

the Facility Association of each branch office and location prior to use.

#### **#6. POLICY NUMBER**

A code of up to 9 digits (alpha/numeric) to identify the policy which contains the risk being transferred. This number must be identical on this and all subsequent entries. This field may have blanks or zeros, either left, right or centre filled.

#### **#7. VEHICLE NUMBER**

A 2 digit number which identifies the particular vehicle on which the claim has been made and must match the VEHICLE NUMBER as recorded on the POLICY NUMBER at the DATE OF LOSS.

The vehicle number must remain the same for the life of the claim, and must not change even if a renewal is issued and the vehicle numbers are reassigned.

#### **#8.** OCCASIONAL DRIVER

Place an "X" in this 1 character field when transmitting an entry for a Third Party or Collision claim incurred by a driver classified as Class 05 or 06.

#### **#9.** CLAIM NUMBER

A 10 character field (alpha/numeric) used to identify the claim transferred. This number must be identical on this and all subsequent entries, for this occurrence. This field may have blanks or zeros, either left, right, or centre filled.

#### **#10. DATE OF LOSS**

This is a 8 digit field (YYYYMMDD) used to enter the date on which the loss occurred. This must be identical on this and all subsequent entries, for this occurrence.

#### **#12.** KIND OF LOSS (Mandatory)

A 2 digit code (numeric) used to indicate the kind of loss as defined in the Automobile Statistical Plan (IBC).

Third Party Liability – Kind of Loss Codes	Code
Bodily Injury Claims – by PASSENGERS in the	
Automobile insured by the reporting company	01
By any other Third Party	02
Property Damage Claims	09

#### **SECTION B:**

Accident Benefits – Kind of Loss Codes	Code
Funeral Services	30
Medical Expenses	31
Death Benefits	32
Disability Income Benefits	34
Uninsured Motorist Benefits	39
SECTION C: PHYSICAL DAMAGE	
Loss or Damage to Insured Auto:	20
Collision Claims (under Collision or All Perils coverages)	
Fire Claims (under Specified Perils, Comprehensive or All Perils coverages)	21
Theft Claims (under Specified Perils, Comprehensive or All Perils coverages)	22
Other Claims (under Specified Perils, Comprehensive or All Perils coverages)	27
SECTION D: UNDERINSURED MOTORIST COVERAGE	
	25
Underinsured Motorist Claim	35

#### **#13. PAID LOSS AMOUNT**

An 8 digit field (numeric) used to enter the gross amount of the loss paid towards settlement of the claim (in dollars only). Transactions for salvage, recovery, cancelled cheque or reversals are coded by using a minus sign in the left most position of the field. (The left most position must be (+) for positive or (-) for negative or the entire field is blank if you are not entering a PAID LOSS AMOUNT).

Like the Automobile Statistical Plan, claimants are grouped together and their collective reserves, payments and expenses are transferred by Coverage Code and Kind-of-Loss.

You may request immediate reimbursement of individual payments over \$100,000 by refraining from transmitting the transaction and by faxing to the Vice President of Finance at the Facility Association with all details of the transaction with a copy of the claim payment cheques in which reimbursement is requested.

#### **#14. PAID EXPENSE AMOUNT**

A 7 digit field (numeric) used to enter the gross amount of those expenses incurred in the course of settlement of the claim (in dollars only). Transactions for salvage, recovery, cancelled cheque or reversals are coded by using a minus sign in the left most position of the field. (The left most position must be (+) for positive or (-) for negative or the entire field must be blank if you are not entering a PAID EXPENSE AMOUNT.)

The Alberta Risk Sharing Pool does not reimburse fees for investigation costs, for example, independent adjusters or appraisers or the cost of staff adjusters or appraisers employed by you.

Only the following expenses for professional fees can be transferred to the Alberta Pool:

- •First Party Legal
- •Alternate Dispute Resolution Services
- Accounting Services
- Actuarial Services
- Architectural Services
- •Engineering Services
- •Notarial Services
- •Court Stenographers' Transcripts
- Coroners' Court Transcripts
- Medical reports
- Autopsy reports
- Arbitration
- Translations

#### **#15. RESERVE AMOUNT**

The Alberta Pool maintains, according to your transmissions, an outstanding reserve figure (in dollars only).

Like the Automobile Statistical Plan, claimants are grouped together and their collective reserves, payments and expenses are transferred by Coverage Code and Kind-of-Loss.

For each Kind of Loss under each coverage of a claimant 8 digit field (numeric) used to transmit the reserve must be established. These reserve figures are maintained on an increase/decrease basis. When you change a reserve figure, the new reserve is not transmitted, only the increase or decrease that will bring the prior reserve figure to the new level. Decreases in reserves are identified by coding a minus sign in the left most position of the field. (The left most position must be plus (+) for positive or (-) minus for negative or the entire field is blank if you are not entering a RESERVE AMOUNT).

You must establish, maintain and fund reserves on your claim file according to the insurance regulator.

#### **#16. TRANSACTION CODE**

A 1 digit code which identifies the type of transaction transmitted.

**CODE 1**: This code is used to open a CLAIM/COVERAGE/KIND OF LOSS for this DATE OF LOSS with reserve.

**CODE 2**: This code is used to transfer subsequent payment/recoveries, and increase or decrease the reserve on a claim which is to remain open.

**CODE 3**: This code is used to close a CLAIM/COVERAGE/KIND OF LOSS for the following transactions:

**Final Payment** -a payment/recovery on a CLAIM/COVER/KIND OF LOSS, and if applicable, accompanied on the same line by an amount reducing the outstanding reserve to zero.

**Closing Reserve** -to close a claim with/without payment by reducing the outstanding reserve to zero.

**Initial/Final Payment** -to transfer a payment after which the file is considered closed.

Additional Payment -after a claim has been closed.

- **CODE 4:** This code is used to re-open a reserve on a claim which has already been closed.
  - You must not use this code to re-open a reserve for the sole purpose of transmitting an additional payment; such a payment must be transferred using TRANSACTION 3.

**NOTE:** A transaction code "4" must not be followed by transaction codes "2" or "3" in the same processing week. You must wait one week before submitting transaction code "2" or "3" when a transaction "4" is submitted.

#### **#17. EXPENSE CODE**

A 1 digit field (alpha/numeric) used to identify the type of expense:

First Party Legal...... A

All other Professional Fees as Listed in #14......B

#### **#18. EXCLUDED DRIVER**

A 1 digit field (alpha/numeric) used to identify the presence of an excluded driver on the claim transaction.

	Yes	1						
#19.	COVERAGE CODE							
	A 2 digit field (numeric) used to enter the COVERAGE COrisk/premium and as defined in the Automobile Statistical Plan (IBC)							
	Third Party Liability Coverage Codes Third Party Liability	62						
Collis	sion Coverage Codes							
	\$ 100 deductible	33						
	\$ 200 deductible	34						
	\$ 250 deductible							
	\$ 500 deductible	36						
	\$1000 deductible	37						
	Over \$1000 deductible	38						
	Other Deductible Coverages including Disappearing							
	Deductible Coverage & Others of a similar nature	39						
All Po	erils Coverage Codes \$ 100 deductible	43						
	\$ 200 deductible	44						
	\$ 250 deductible	45						
	\$ 500 deductible	46						
	\$1000 deductible							
	Over \$1000 deductible	48						
	Other Deductible Coverages including Disappearing							
	Deductible Coverage & Others of a similar nature	49						
Comp	prehensive Coverage Codes							
	\$ 50 deductible	82						
	\$ 100 deductible	83						
	\$ 200 deductible	84						
	\$ 250 deductible	85						
	\$ 500 deductible	86						
	\$1000 deductible	87						
	Over \$1000 deductible							
	Other Deductible Coverages including Disappearing							
	Deductible Coverage & Others of a similar nature	89						

No.......0

<b>Specified Pe</b>	rils Coverage Codes	
	\$ 50 deductible	22
	\$ 100 deductible	23
	\$ 200 deductible	24
	\$ 250 deductible	
	\$ 500 deductible	
	\$1000 deductible	
	Over \$1000 deductible	
	Other Deductible Coverages including Disappearing	
	Deductible Coverage & Others of a similar nature	29
Accident Be	nefits	
	Coverage Codes	78
Underinsure	ed Motorist Coverage Codes	
	\$ 200,000	02
	\$ 300,000	03
	\$ 500,000	
	\$1,000,000	
	\$2,000,000	

# **Appendix C-2**

# **Error Codes**

The following error messages reflect edit error conditions on your rejected claim transaction, when you view the Claim Transaction Screen in **Correct**. The short bold message is initially displayed, with an option to access the larger more detailed description of data required, some with tips as to the probable cause of the error.

#### FIELD AND RELATIONSHIP ERRORS

FIELD NAME	ERR. NO.	DESCRIPTION	
COMPANY NUMBER	090	Invalid Company Number The COMPANY NUMBER must be designated by the Statistical Agency (IBC) for automobile.	
ENTRY MONTH/YEAR	092	Invalid Entry Month/Year The ENTRY MONTH/YEAR recorded is not equal to the mont being processed or the following month.	
BATCH CODE	093	Batch Code is Missing The BATCH CODE is a mandatory field.	
POLICY NUMBER	094	Policy Number is Missing The policy number is a mandatory field.	
VEHICLE NUMBER	095	Vehicle Number is Missing The VEHICLE NUMBER is a mandatory field.	
OCCASIONAL DRIVER	096	Invalid Occasional Driver The OCCASIONAL DRIVER must be 'X' or blank	
CLAIM NUMBER	097	Claim number is Missing The CLAIM NUMBER is a mandatory field.	
DATE OF LOSS	098	Date of loss is an Invalid Date The DATE OF LOSS must be formatted as YYYYMMDD and represent an actual calendar date and be less than or equal to the ENTRY DATE; for example, dates such as February 30 are invalid.	

FIELD NAME	ERR. NO.		DESCRIPTION	
COVERAGE CODE	100	Invalid Kind of Loss/Coverage Combination The kind of loss/coverage combination must follow the original coding on the premium transaction:		
		<u>Coverage</u>	Kind of Loss	
		02, 03, 05, 06, 07	35	
		62	01, 02, 09	
		78	30, 31, 32, 34, 39	
		22 to 29 33 to 39 43 to 49 82 to 89	21, 22, 27 20 20, 21, 22, 27 21, 22, 27	
KIND OF LOSS		see above		
PAID LOSS AMOUNT	101	Paid Loss Amount Not Numeric The PAID LOSS AMOUNT must be a number.		
PAID EXPENSE AMOUNT	102	Paid Expense amount Not Numeric The PAID EXPENSE AMOUNT must be a number.		
RESERVE AMOUNT	103	Reserve Change Amount Not Numeric The RESERVE CHANGE AMOUNT must be a number.		
TRANSACTION AMOUNT	104	Invalid Transaction Code The TRANSACTION CODE must be 1 (new claim), 2 (additional payment/reserve), 3 (close a claim) or 4 (reopen a claim).		
EXPENSE CODE	105	Invalid Expense Code If the Paid Expense Amount is zero, the Expense Code must be blank else the Expense Code must be A or B.		
EXCLUDED DRIVER	106	Excluded Driver Code Missing or Invalid The EXCLUDED DRIVER CODE is mandatory and must be 0 or 1.		
	099	The Date of Loss de	oes not fall within the Transfer Period	
			is transmitted for a risk on the Alberta Pool OF LOSS must fall within the Transfer	
			n error in the DATE OF LOSS or because the m transaction has been rejected and not	

# ERRORS AGAINST PREVIOUSLY ACCEPTED DATA

ERROR NO.	ERROR MESSAGE
110	This Company Number/Policy Number is Not on System This transaction must contain a COMPANY NUMBER and POLICY NUMBER previously accepted.
	Usually caused by an error  in Company Number or Policy Number (either on the claim entry or the original premium entry), or  because the original premium entry for the risk has been rejected and not resubmitted
111	This Company Number/Policy Number/Vehicle Number is Not on System This transaction must contain, in addition to a COMPANY NUMBER and POLICY NUMBER previously accepted, but also a VEHICLE NUMBER previously accepted.
	Usually caused by an error  in vehicle number (either on the claim entry or on the original premium entry) or  because the <b>original premium</b> entry for the risk has been <b>rejected</b> and <b>not resubmitted</b> .
112	Coverage/Kind of Loss is Not Unique on a New Claim A new claim (TRANSACTION CODE 1) must have a unique combination of CLAIM NUMBER, COVERAGE, KIND OF LOSS.
	Usually caused by an error in TRANSACTION CODE.
113	No Matching Coverage/Kind of Loss for this Subsequent Entry A subsequent entry (TRANSACTION CODE 2, 3 OR 4) must have a CLAIM NUMBER, COVERAGE CODE and KIND OF LOSS CODE previously accepted.
	The subsequent entry could be a TRANSACTION CODE 2 or 4, or TRANSACTION CODE 3 with a reserve change amount.
	A TRANSACTION CODE 3 without a reserve change is considered as a new claim if there is no matching Claim Number/Coverage/Kind of Loss Code previously accepted for the risk.
114	Claim has been closed but not yet reopened.
	An entry with TRANSACTION CODE 2 is being submitted, but the file shows that the claim under the same Claim/Coverage/Kind of Loss Code/Date of Loss has been <b>closed previously</b> .
	Usually caused by an error in TRANSACTION CODE or
	- because a <b>re-opening entry has been rejected</b> and <b>not yet been resubmitted</b> or
	- is being processed in the same list as the current entry.

ERROR NO.	ERROR MESSAGE
115	Coverage Not in Force for this Risk at this Date of Loss A claim transaction must have coverage in force as of the DATE OF LOSS.
116	Reserve or Paid Loss or Expense has a Credit Amount The entry transmitted causes one of the cumulative amounts on the Alberta Pool System to become credit.
118	Closing Claim Number/Kind of Loss with Outstanding Reserve A closed claim - TRANSACTION CODE 3 must reduce the outstanding reserve amount to zero. Often caused by transmitting in the same batch 2 transactions with TRANSACTION CODE 3.
119	Date of Loss Does Not Match For This Claim/Kind A subsequent entry (TRANSACTION CODE 2, 3 OR 4) for a CLAIM NUMBER, COVERAGE and KIND OF LOSS must have the same DATE OF LOSS as previously transmitted.
120	Reopening Claim/Kind Not Yet Closed A reopening entry (TRANSACTION CODE 4) must be transmitted only after the closing TRANSACTION CODE 3 has been accepted to the same CLAIM NUMBER/COVERAGE/KIND OF LOSS.
121	Invalid Date of Loss/Dispatch Date Combination  The Dispatch Date (Postmark Date) on the original risk/premium transaction in accordance with the rules must be prior to the DATE OF LOSS and the Postmark Date did not satisfy the requirements of the Alberta Pool. The original risk transaction would have been flagged with the asterisks (**) on the Premium Edit Listing and Premium Bordereau.  If this claim error occurred because the original premium transaction submitted was rejected due to an incorrect POLICY NUMBER, TRANSFER DATE or EXPIRY DATE, and later resubmitted within the prescribed period, refer to Section VI. C to determine if change in Dispatch Date (Postmark Date) is allowable.
125	Branch Code different from Original Transaction All claims transactions must be transferred under the same branch code as the original transaction.

# **Appendix C-3**

Field Name	Open Claim Coverage Kind of Loss	Payments/ Recoveries Change Reserves Add Pay	Close C/C/K Final Pay Close Reserve F&F	Re-open A Res.
Transaction Code	1	2	3	4
Record Type	T	– T	T	T
Batch Code	M	M	M	M
Entry Year/Month	M	M	M	M
Company Number	M	M	M	M
Branch Code	M	M	M	M
Policy Number	M	M	M	M
Vehicle Number	M	M	M	M
Occassional Driver	O	O	O	O
Claim Number	M	M	M	M
Date of Loss	M	M	M	M
Coverage Code	M	M	M	M
Kind of Loss	M	M	M	M
Paid Amount	O	O	O	O
Paid Expense Amount	O	O	O	O
Reserve Amount	O	O	O	O
Transaction Code	M	M	M	M
Expense Code	O	O	O	O
Excluded Driver	O	O	O	O
Filler	T	T	T	T

M = Mandatory (must be present on all transactions)

O = Optional

T = Required if data are downloaded from your system

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# **GLOSSARY OF TERMS**

The following terms are intended to apply to business within the Alberta Risk Sharing Pool. While some of the terms may appear to be consistent with terms in general use in the insurance business, this is co-incidental and there well may be differences. The definitions are reasonably meaningful within the **CONTEXT OF THE POOL** and it is recognized that there may be some differences of opinion among authorities concerning the subtleties of interpretation.

#### **Accident Year**

The experience of all policies which are in force (or exposed) at some time during a given 12 month period. Earned premiums and exposures are the pro-rata portion of written premium and exposures on these policies which relate only to that part of the policy term which falls within the given 12 month period. All claims having a date of loss within the given 12 period are included in the loss experience.

#### **Agent**

In the context of the Alberta Risk Sharing Pool, the term AGENT is interchangeable with the term Broker, to mean one who is licensed and qualified to deal with a Member to arrange insurance coverage on behalf of an applicant.

#### **All Comers Rule**

An agent or broker must provide to an owner of a motor vehicle who is a resident of Alberta an application for automobile insurance, and must submit a completed application to an insurer when requested to do so by the owner of a motor vehicle. The Facility Association is named in that same Act as the body with the responsibility of establishing and maintaining a Plan of Operation to ensure that a contract of automobile insurance can be provided to owners and licensed drivers of motor vehicles who, but for the Plan, would be unable to obtain such insurance. Through the Plan of Operation, the Association must ensure that a contract of automobile insurance is provided with respect to every applicant for automobile insurance submitted by an agent or broker. As the Plan of Operation has two components - a residual market segment and a pool segment - two "All Comers Rules" are needed.

The All Comers Rule as it pertains to residual market. It stipulates that Servicing Carriers must accept all business submitted to them that qualifies as a residual market risk in Alberta. The All Comers Rule pertaining to all business that does not qualify as a residual market risk is contained in Article IX. It stipulates that any Member must, unless exempted, accept any automobile risk submitted to them that is not a residual market risk.

#### **Association**

See Facility Association.

#### **Batch**

A group of transactions to be run on a computer at one time using the same program. In the context of the Alberta Pool a batch is used to transfer records from the Member to the Alberta Pool.

#### **Batch Code**

A 3 digit field used to identify the batch containing the transfer record from the Member to the Alberta Pool.

#### **Branch Code**

A 2 digit (alpha/numeric) code used to segregate transactions by branch or service office. The Member must notify the Operations Manager at Facility Association of each branch or service office and location prior to use.

#### Broker

In the context of the Alberta Risk Sharing Pool, the term BROKER is interchangeable with the term Agent, to mean one who is licensed and qualified to deal with a Member to arrange insurance coverage on behalf of an applicant.

# **Broker Company**

In the context of the Alberta Risk Sharing Pool means a Member that contracts with insurance BROKERS to arrange insurance coverage on behalf of an applicant with the Member.

# **Closing Date**

In the context of the Alberta Risk Sharing Pool the term CLOSING DATE means the 5th working day of the next calendar month following a monthly transfer of transactions to the Alberta Pool, and in this respect designates the CLOSING of an accounting period.

# **Compulsory Automobile Insurance**

The province of Alberta requires all owners and licensed drivers in the province to have in effect a policy of automobile insurance as a requirement of licensing.

#### **Direct Writer**

An insurer that sells insurance through licensed agents who do not represent other insurers but are producers for that insurer only.

#### **Earned Claims Ratio**

The ratio of incurred claims to earned premium.

#### **Earned Premium**

An accounting term used to describe the Written Premiums during a period plus the Unearned Premiums at the beginning of the period less the Unearned Premiums at the end of the period.

# **Eligibility**

In the context of the Alberta Pool, means that a risk must qualify for the Alberta Pool in accordance with the Plan of Operation and the Alberta Risk Sharing Pool Procedures Manual Section III.

#### **Expense Allowance**, or Expense Allowance Amount

An allowance to settle Member's incurred acquisition costs, operating costs and loss adjustment costs, but not including premium taxes and professional fees as stipulated in the Alberta Risk Sharing Pool Claims Guide.

#### **Expiry Date**

In the context of the Alberta Pool it is the date set out in the policy indicating when the coverage will terminate. Every policy contains an inception and an expiry date thus indicating the term of coverage. This is usually co-incident with the transfer and duration of coverage in the Alberta Pool.

# **Facility Association**

Is an unincorporated non-profit service association, supported and maintained by all insurers licensed to underwrite automobile insurance in any jurisdiction in which the Association is qualified to operate. The object of the Association is to ensure the availability of automobile insurance for owners and licensed operators of motor vehicles who might otherwise experience difficulty in obtaining such insurance. The Risk Sharing Pool is a part of and is administered by the Facility Association.

#### Fiscal Year

An accounting period of twelve months, in the case of the Alberta Pool the period from November 1st in one year to October 31st in the subsequent year.

#### Fraud, Insurance

Occurs when the insured or any person who is a regular or frequent driver of the vehicle has been found by a court of competent jurisdiction in either criminal or civil proceedings to have committed a fraud in any way connected with automobile insurance.

#### **Incurred Loss**

An accounting term used to describe the sum of Paid Losses and the change in outstanding losses.

#### **IBC – Insurance Bureau of Canada**

A voluntary association of general insurance companies that account for approximately 85 percent of the general insurance premiums written each year in Canada. IBC collects insurance statistics, provides actuarial analysis to its member companies, drafts policy forms, manages inter-company agreements on claims settlements, monitors legislation and works with governments and government departments in the development of new legislation.

# **Large Claim**

As it pertains to the Alberta Risk Sharing Pool, means a claim with an aggregate incurred loss of \$250,000 or more (total of all sub files), or an incurred loss reserve of \$100,000 or more for any one claimant, or an incurred loss reserve of the total policy limit, or a serious bodily injury, including, but not limited to:

- fatality with dependants
- brain damage
- paraplegia or quadriplegia
- amputation of a limb at or above the elbow or knee
- serious disfigurement

# **Loss Adjustment Cost**

As it pertains to the Alberta Risk Sharing Pool, means the cost of processing, investigating and settling losses, excluding the loss cost, but including internal and external costs other than certain prescribed legal and professional fees.

#### Member

Means a Member of the Facility Association. Every insurer licensed to write automobile liability insurance in any jurisdiction in which the Association is qualified to operate must be a Member of the Association. Unless otherwise provided for in the Articles of Association a group of insurers under one ownership or under common management shall constitute a single Member for the purpose of the Articles of Association.

#### **Net Premiums**

In the context of the Alberta Pool these represent premiums transferred to the Alberta Pool net of the Expense Allowance.

# **Non Servicing Carrier**

A Member of the Facility Association sharing in the premiums, claims, expenses and profits and losses of the organization but one not authorized to issue policies on behalf of the Residual Market Segment of the Association. (See Servicing Carrier).

# **Outstanding Claims**

In the context of the Alberta Pool these represent losses reported which have occurred but which have not been paid, excluding IBNR.

#### **Paid Loss Amount**

The amount paid to the claimant(s) as loss settlement.

# **Plan of Operation**

A Plan developed by the Facility Association. The Plan consists of the Articles of Association and the Operating Principles.

#### Pool

See Risk Sharing Pool

#### **Pool System**

The Alberta Risk Sharing Pool maintains a Policy Master System that accepts and validates premium and loss data transmitted by the members. The Alberta Pool System processes and stores the information that is accepted from the Members from which are produced premium and loss bordereaux, the Operational Report, a Management Information Report and an Annual Report for Government Statement purposes. Members transmit data to the Alberta Pool System using web application.

#### Premium Bordereau

A list of policies transferred to the Alberta Pool during the reporting period reflecting such information as Branch Code, Policy Number, Transfer Percentage, Transferred Amount, Expense Allowance Percentage, Expense Allowance Amount, and Net Balance. A Premium Bordereau is produced at the close of each month and reflects the Policies accepted by the Alberta Pool thus allowing the Member to verify the acceptance of transferred policies by the Alberta Pool.

#### **Project Manager**

An individual within the Member's organization designated by the Member to communicate with the Alberta Pool on behalf of the Member and conversely act as the individual with whom the Alberta Pool may communicate.

# **Private Passenger Vehicle**

The vehicle is a private passenger vehicle defined in the Automobile Insurance Premiums Regulations as:

A motor vehicle not weighing more than 4500 kg that is used for:

- o Pleasure
- o Driving to or from work or school, or
- o Business purposes, including farming operations

#### but does not include:

- o A motorcycle, power bicycle or moped
- o A vehicle used for commercial purposes, including, but not limited to,
  - a vehicle used for transporting individuals for compensation, delivery of goods, courier or messenger service, parcel delivery, meal delivery or driver training,
  - a vehicle rated under a fleet formula,
  - a short-term lease or rental vehicle,
  - a funeral vehicle, or
  - a vehicle held for sale or used for demonstration or testing.
- o An emergency vehicle,
- o A recreational vehicle,

- o An antique vehicle registered as an antique vehicle or,
- o An all terrain vehicle, snow vehicle, miniature motor vehicle or any other similar off-highway vehicle.

**Notes:** Business use does not include any use listed in the Commercial or Public Sections even though Private Passenger rates are used to determine the premium.

Pickup trucks, vans, and other commercial type vehicles rated as 'farmer' i.e. rated at Class 33 or Class 34 are not eligible for the Alberta Pool. If these vehicles are rated as private passenger vehicles with a farmer discount and there is another farm truck rated commercially, they are eligible for the Alberta Pool.

#### **Reconciliation (Account)**

A recapitulation of the net cash flow between a Member and the Alberta Pool for the current month as determined in the monthly Operational Report.

#### Residual Market Risk

A risk that is eligible for coverage with the Facility Association Residual Market.

# **Reserve (Unpaid Claim) Change Amount**

The amount of increase or decrease that is reported to the Alberta Pool when a previously reported Loss Reserve is to be adjusted, only the change is reported and not the new reserve figure.

#### **Residual Market Mechanism**

That segment of the Plan of Operation of the Facility Association that provides a market for residual market risks through Servicing Carriers.

#### Risk

The physical or subject matter of a policy of insurance. In the context of the Alberta Pool, this refers to a single vehicle.

# **Risk Sharing Pool**

That segment of the Plan of Operation of the Facility Association created to assist members in the provision of automobile insurance to certain owners or licensed drivers through the members' normal production facilities and their normal binding arrangements and to provide for the sharing of such risks.

# **Servicing Carrier**

A Member of the Facility Association authorized to issue policies and administrator and settle losses on behalf of the Residual Market Segment of the Facility Association.

#### **Share of Market**

In the context of the Alberta Risk Sharing Pool refers to the proportion that the Member's total "voluntary private passenger non-fleet third party liability direct written car years" is of the total of all such car years for all Members in the relevant jurisdiction. A Member's Share of Market is determined annually by the Facility Association by reference to the Statistical Agency.

#### **Sharing Formula**

In the context of the Alberta Risk Sharing Pool refers to the formula by which Members share an interest in the premiums, losses, expenses and profits of the Alberta Pool as specified in the Plan of Operation under Operating Principles Part IV Section 9.A.

## **Special Remittance**

In the context of the Alberta Risk Sharing Pool the term Special Remittance refers to a request by a Member for immediate reimbursement for recovery of a <u>loss payment</u> and may be made at the Member's discretion only when the Members net recoverable loss through the Alberta Pool in respect of any one accident exceeds \$100,000, and subject to satisfactory submission of documentation to the Alberta Pool.

#### **Transaction Code**

A one digit code used to identify a type of transaction between a Member of the Alberta Pool and the Alberta Pool.

#### **Transfer**

In the context of the Alberta Risk Sharing Pool refers to the Member's transfer of risk to the Alberta Pool and the acceptance of the risk by the Alberta Pool. A risk is not transferred if it has not been accepted by the Alberta Pool.

#### **Transfer Date**

The year, month and day that a RISK is transferred to the Alberta Pool. For a complete discussion of TRANSFER DATE, see definition #7 in Appendix P-1.

# **Transfer Percentage**

That percentage amount which a member transfers to the Alberta Pool is 100%.

# **Transfer (Cession) Limit**

In the context of the Alberta Pool means the limitation of transfers to the Alberta Pool by members. For each member, the transfer limit for grid risks is unlimited and for non-grid the transfer limit is 4% (subject to change) their previous year's voluntary private passenger non-fleet third party liability direct written car years unless otherwise allowed by the Board of Directors.

#### **Unearned Premium**

An accounting term used to describe the unexpired portion of the policy premium as at a certain date.

# **Voluntary Market**

See Non Servicing Carrier

# **Voluntary Private Passenger**

In the context of the Alberta Risk Sharing Pool means Private Passenger Risks as defined in the Automobile Statistical Plan that are written by any Member other than in its capacity as a Servicing Carrier. Voluntary private passenger risks <u>include</u> business transferred to the Alberta Risk Sharing Pool.

#### **Written Premiums**

In the context of the Alberta Pool, the Written Premium is an accounting term used to describe the gross original premiums, less returns and cancellations, transferred to the Alberta Pool as at a certain date.

# ALBERTA RISK SHARING POOL PROCEDURES MANUAL

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# **PART II**

## **CHAPTER 1**

#### **INTRODUCTION**

In order that Members may complete their own accounting records as well as those required by regulatory authorities, and in addition, review the impact of the Alberta Pool on the Member's own operations, the Alberta Pool produces three reports. These reports are examined in detail in the pages following. The following summary is for the Members' information:

THE OPERATIONAL REPORT (Exhibit Part II 2-A) is an accounting report issued monthly and forwarded to the Protect Manager of each Member unless otherwise advised by the Member. This is the month to month working document for each Member. It indicates the total premiums and losses accepted by the Alberta Pool for the month and for the year to date from all Members, for each jurisdiction.

It also shows the Member's own share according to the Alberta Pool Sharing formula for the month, and for the year to date, and the total amount due to the Alberta Pool by the Member, or conversely due to the Member from the Alberta Pool.

The Member's own Premiums and Loss Payments that are reported to, and accepted by the Alberta Pool, as well as Special Remittances made to the Member by the Alberta Pool are shown by month, for the year to date, by jurisdiction.

These exhibits allow the Alberta Pool to recap the net cash flow between the Member and the Alberta Pool for the current month resulting in an amount either being due to the Alberta Pool by the Member, or due to the Member from the Alberta Pool. The report indicates the net due to/from the Alberta Pool and the date of settlement.

This report is produced on an accident year basis.

THE MANAGEMENT INFORMATION REPORT (Exhibit Part II 3-A) is an information report issued monthly and forwarded to the Protect Manager of the Member. It is <u>not</u> an accounting report but is intended to assist the Member in assessing the impact of the Alberta Pool on the Members operations both as a Member transferring risks to the Alberta Pool and as a Member sharing in the income, claims and expenses of the Alberta Pool.

The Member can measure the results of its underwriting, marketing, and claims operations

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by relating the portfolio which the Member has transferred to the Alberta Pool relative to the portfolio transferred by all Members.

#### ANNUAL REPORT FOR GOVERNMENT STATEMENT PURPOSES (Exhibit Part

<u>II 4-A)</u> is a special report issued annually and forwarded to the Protect Manager of each Member unless otherwise advised by the Member. It is designed to assist Members in properly reflecting their transactions with the Alberta Pool in their ANNUAL STATEMENTS TO FEDERAL and/or PROVINCIAL AUTHORITIES.

Premiums by jurisdiction are shown as transferred premiums by term and expiry date and by the various government lines with unearned premiums calculated on the monthly pro-rata method.

Claims are shown by claims and expenses paid, claims incurred through the Alberta Pool's fiscal year, with a summary of outstanding claims and provision for I.B.N.R. as at the Alberta Pool fiscal year end by government line. These are summarized for the current year, each of the previous three claim/loss years and all prior years combined.

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# **PART II**

#### **CHAPTER 2**

#### **OPERATIONAL REPORT**

This is an ACCOUNTING REPORT forwarded monthly to each Member.

#### It consists of:

- a two-page summary of the business for each jurisdiction in which the Member participates in the Alberta Pool.
- followed by a two-page summary for all jurisdictions combined.
- followed by a two-month projection by jurisdiction. The "Report" is produced on an accident year basis.
- the next future accident year, the current accident year and each of the three previous years.
- with a total of all accident years.

Figures for the current fiscal year are shown separately.

The headings below correspond to those used in the sample Operational Report shown as Exhibit Part II 2-A.

#### 1. <u>Risk Sharing Pool (Alberta Pool) - This Month</u>

Total of all entries reported by all Members and accepted by the Alberta Pool for the current month.

# 2. Risk Sharing Pool - Year to Date

Totals of all entries reported by all Members and accepted by the Alberta Pool since the beginning of each accident year.

- Outstanding Losses include I.B.N.R. estimates.
- For information purposes, the I.B.N.R. is also shown separately.

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## **Member Proportion Calculation** which reads as follows:

Premiums, losses and expenses shall be allocated to the calendar year concerned on an accident year basis and divided by jurisdiction.

In respect of each jurisdiction and each calendar year;

- a. Save as hereinafter set forth each member shall share in the assets, liabilities, revenues, expenses and net profits or losses arising from the operation of the Alberta Pool as follows:
  - i. Members will share in the results of the Alberta Risk Sharing Pool in the proportion that the total of its "voluntary private passenger non-fleet third party liability direct earned car years" not ceded to a risk sharing pool is of the total of all "voluntary private passenger non-fleet third party liability direct earned car years" not ceded to a risk sharing pool by all members for the province.
- b. With respect to members that are Servicing Carriers in such jurisdiction at the time of the commencement of operation of an Alberta Pool such members with respect to the period ending with the completion of the first full calendar year of operation of the Alberta Pool or such shorter period as may be determined by the Board of Directors having regard to the date of commencement shall share on the basis set out in paragraph a.i. above as to 100% and the shares of the other members shall be adjusted accordingly.
- c. The sharing calculation for any period may be based upon estimated figures and such calculations shall be adjusted appropriately as soon as the actual figures become known.

## 4. <u>Proportion</u>

These amounts represent the Member's share of the Alberta Pool totals since the beginning of each accident year.

These are obtained by multiplying the amounts shown in 2 (Year to Date premiums transferred) by the percentage derived in 3 (Member Proportion Calculation) for the appropriate accident year.

#### 5. Previous Shared

Amounts which are shown as "proportion" on the Operational Report for the previous month.

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## 6. <u>Total Due on Sharing</u>

Amounts due for the current month by the Member to the Alberta Pool as a participating Member of the Alberta Pool.

- They are simply the result of the subtraction of the amounts shown in 5 from the amounts shown in 4.
- The amounts shown under "Total (A)" is equal to Premiums Transferred **less**Loss and Expense Payments Transferred **less** Administration
- If the net amount is a <u>debit</u>, it is owed <u>by</u> the Alberta Pool, if it is a <u>credit</u>, it is owed <u>to</u> the Alberta Pool.

#### 7. Premiums Reported by Member this Month

Total premium entries reported by the Member and accepted by the Alberta Pool for the current month.

- They will balance with the totals by jurisdiction shown on the current Premium Bordereau.
- The amount shown under "Net (B)" is owed by the Member to the Alberta Pool.

#### 8. Normal Payments Reported by Member - This Month

- Total loss and expense payments reported by the Member and accepted by the Alberta Pool for the current month, excluding payments for which a special remittance has been requested from the Alberta Pool.
- The amount shown under "Total Claims Transferred (C)" is owed <u>to</u> the Member by the Alberta Pool.

# 9. Special Remittance Payments Reported by the Member - This Month

Total of the loss and expense payments reported by the Member and accepted by the Alberta Pool for the current month and for which a special remittance has been requested from the Alberta Pool.

- These amounts are specifically excluded from the Accounts Reconciliation as they have been prepaid by the Alberta Pool.

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#### 10. Total Payments Reported by Member - This Month

Totals of all loss and expense payments reported by the Member and accepted by the Alberta Pool for the current month.

- They are equal to the sums of the amounts shown in 8 and 9 above.
- They will balance with the totals by jurisdiction shown on the current month Paid Loss Bordereau.

## 11. Member's Totals - Transferred to Date

Total entries reported by the Member and accepted by the Alberta Pool since the beginning of each accident year.

# 12. Account Reconciliation

Recap of the net cash flow between a Member and the Alberta Pool for the current month.

- A particular Member pays the Alberta Pool <u>or</u> is paid by the Alberta Pool the one amount which appears on the summary sheet for <u>all</u> jurisdictions in the column marked "Total" beside the heading "Net Due to/from the Alberta Pool".
- A payment by a member to the Alberta Pool must be addressed to the Vice President of Finance.
- The date of settlement between the Member and the Alberta Pool appears at the bottom of the second page of the summary for all jurisdictions combined.

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# **PART II**

#### **CHAPTER 3**

## THE MANAGEMENT INFORMATION REPORT

The Management Information Report summarizes transactions between Members and the Alberta Pool

• personal use private passenger (PUPP) rated business by jurisdiction for the next future accident year, the current accident year and previous three accident years.

This report is forwarded to each Member monthly.

It is not intended to be used for accounting purposes, but it is intended to highlight the impact of the Alberta Pool on the member's operations, both

- as a Member transferring risks to the Alberta Pool
- as a Member sharing in the total premiums, claims and administration expenses of the Alberta pool

# A. Report Sequence

- For each jurisdiction within each accident year.
- the amounts representing the transactions of the Member transferring risks to the Alberta Pool ("REPORTED")
- and of the amounts representing the share of transactions of the Member as a participant of the Alberta Pool ("SHARE").

A total is provided for each accident year.

A summary by jurisdiction of all five accident years combined is also shown at the end.

# **B.** Contents of the Report (Horizontal Format)

**Percentage** – The Reported Percentage is the percentage which represents the ratio of the premiums by the Member to the Premiums transferred to the Alberta Pool by all Members.

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The Shared Percentage is the proportion of each Member writings to all Members writings in that jurisdiction.

- **Transferred Premiums** The portion of the Gross Premiums transferred to the Alberta Pool is 100%.
- **Expense Allowance** As filed on the Expense Factor Form annually.
- **4. Net Premiums** Transferred premiums less expense allowance.
- **5. Earned Premiums** The earned portion of the transferred premium.
- **6. Paid Claims** The Reported Paid Claims amount is the sum of the loss and the expense payments transferred by the Member.

The Shared Paid Claims is a similar amount, representing the share of the Member in the total of all Alberta Pool Paid Claim.

- 7. <u>Outstanding Claims</u> The Reported Outstanding Claims amount is the sum of the case estimates (provisions).
  - transferred by the Member to Alberta Pool

The Shared Outstanding Claims is a similar amount, representing the share of the Member in the total of all the Alberta Pool Outstanding claims, including the I.B.N.R. which is calculated by the Actuarial Committee of Facility Association.

- **8.** <u>Incurred Claims</u> Paid claims plus change in outstanding claims.
- **9. Earned Claims Ratio** Incurred claims to earned premiums.
  - Note that a comparison between the Reported Earned Claims Ratio and the Share Earned Claims Ratio indicates how the portfolio which the Member has transferred to the Alberta Pool has fared in relation to the portfolio transferred by all Members.
  - I.B.N.R. estimates are included in the "Share" outstanding Claims figures only.
- **10.** <u>Administration Expense</u> Each member's share of the total of the Alberta Pool operating and administrative expenses.

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# **PART II**

## **CHAPTER 4**

## ANNUAL REPORTS FOR GOVERNMENT STATEMENT PURPOSES

To allow Members to properly reflect their transactions with the Alberta Risk Sharing Pool in their ANNUAL STATEMENTS TO THE GOVERNMENTS during the last Alberta Pool fiscal year (November to October), the Alberta Pool produces special Premiums and Claim Reports shortly after the Alberta Pool year-end closing date.

# A. Premium Reports

For each government line of automobile business, the Alberta Pool provides each member with:

- <u>A Detailed Analysis</u>
  - by term and expiry date of
  - transferred premiums
  - unearned premiums calculated on the monthly pro-rata method
- the detailed analysis is followed by <u>a summary</u> of
  - transferred premiums and unearned premiums by jurisdiction

These reports show the Member's transferred premiums and Member's share in the total Alberta Pool premiums.

# **B.** Claims Reports

<u>For each jurisdiction</u> in which transactions between the Alberta Pool and the Member have taken place.

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The Alberta Pool provides each Member with:

- <u>A summary of</u>
  - claims paid,
  - expenses paid and,
  - claims incurred.

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throughout the Alberta Pool fiscal year

- as well as <u>a summary</u> of the
  - outstanding claims and IBNR as at the Alberta Pool fiscal year-end analysed by each government line.
- A further report provides summaries by accident year
  - of claims paid during the Alberta Pool fiscal year and
  - of the outstanding claims and IBNR as at the Alberta Pool fiscal year-end by jurisdiction and government line.

The groups are analyzed separately:

- the current accident year,
- each of the previous three accident years and,
- all prior accident years combined.

Outstanding claims and incurred claims amounts take into consideration

• The Member's Share of the regular I.B.N.R. of the two month projection for losses occurring in the months of November and December following the close of the Alberta Pool fiscal year in October.

These reports show the Member's transferred claims and the Member's share in the total Alberta Pool claims.

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#### **CHAPTER 5**

#### **MISCELLANEOUS**

# A. Retention of Records

The retention of records by any member relating to the subject matter of the Plan of Operation which includes the Alberta Risk Sharing Pool, must follow the Statutory Requirements as set out for Insurance Companies at the Provincial and Federal level. In addition, records supporting the transmission of data to the Alberta Risk Sharing Pool shall be retained for at least a two year period.

# **B.** Special Remittance

Refers to an amount that may be immediately payable by the Alberta Pool to a member as a result of the member having PAID a single loss recoverable from the Alberta Pool in excess of \$100,000. (The amount recoverable will be reviewed and determined from time to time by the Board of Directors).

When the total amount paid by the Member and recoverable through the Alberta Pool in respect of any one accident exceeds \$100,000, the Member may at its discretion respect a Special Remittance as outlined in Section 8C, 2 (Large Claims) of the Plan of Operations to be paid immediately upon submission of the following information by correspondence:

Policy information including policy number, effective and termination dates, risk classification, date-of-loss and coverage kind and a copy or copies (photocopies are acceptable) of the claims payment cheques(s) for which the Special Remittance is requested.

The Alberta Pool will examine the information and upon satisfaction that the Loss is within the authority of the Alberta Pool will immediately reimburse the member and enter the particulars of the Special Remittance in the appropriate accounting record.

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