

***2010 COUNTRYWIDE ANNUAL VERIFICATION***

***USER GUIDE***

**Insurance Services Office, Inc.**

**September 2011**

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# Section A - Overview

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## Introduction

Companies that report statistical data to ISO are required to reconcile their data on an annual basis. We have compared (by state, annual statement line, and type of statistic) your calendar year 2010 statistically reported data with the Statutory Page 14 financial information of your group's annual statement. During this comparison we have **excluded**:

- Texas for all lines of insurance (a separate AV for commercial lines was previously sent)
- Connecticut, New York, and Rhode Island personal auto for SDMS companies/groups only (a separate AV for SDMS states was previously sent)
- All states and lines where ISO is not an appointed Statistical Agent for accounting/calendar year 2010

Differences that exceed the **1% and \$5,000** tolerance level require explanation and are included in the Annual Verification file that you received.

**While ISO requires you to perform this reconciliation on an annual basis, in order to maintain effective control of the data reported to ISO you should perform more periodic reconciliations to financial premium, paid loss and outstanding loss amounts.**

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## Purpose of the Annual Verification (AV) Report

The purpose of the Annual Verification is to ensure that the statistical data your group reported to ISO is complete.

When we compare your group's statistically reported data to the Statutory Page 14 financial information of your group's annual statement, we identify all differences that exceed the **1% and \$5,000** tolerance. **The AV report that you received only includes the differences we identified. The report does not include any areas that are within tolerance.**

You should review the file, reconcile the information, and use the response system software to create your reconciliation response.

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## How ISO Gets The Statutory Page 14 And Statistical Amounts

All of the **Statutory Page 14** amounts included in your file are from **A.M. Best**.

All of the **submitted amounts** include **statistics reported to ISO only** and are compiled based on a snapshot of ISO's database of accepted statistical submissions for the AV calendar year that ISO processed. **The submitted amounts include totals from both valid and invalid records.**

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## Revisions For 2010 Data

### A. Unallocated Codes

There are no revisions to this year's Unallocated Codes. Any changes are editorial in nature.

### B. Response System

**There are no enhancements to the response system. You should continue to use version 5.0.** You can verify this by clicking Help. . .About from within the system. If you are not using version 5.0 then you should uninstall the software and install the latest version that is available on the Internet.

### D. Person(s) to Contact

For submissions related to PASP and PLSAP(AUTO), please contact Daniel M. Crifo.

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## Response Due Date

You should send your electronic response file on or before **December 15, 2011**.

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## How To Get An Extension

Please send an e-mail to Leon Tang at [Ltang@iso.com](mailto:Ltang@iso.com). You should include your four-digit group number and the extended due-date that you are requesting.

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## Incentive Assessment Program

The AV is an important part of our statistical agent responsibilities. Therefore, we will apply the Incentive Assessment Program to those insurers that do not file a response for this AV or fail to notify us of problem situations.

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## Person(s) to Contact

**If you have questions concerning:**

- **Submitting additional data via the Commercial Lines Statistical Plans (CSP, CMSP, CSAP, CSP-i), please contact:**

Monica Dorcean 201-469-2277 [Mdorcean@iso.com](mailto:Mdorcean@iso.com)

- **Submitting additional data via the Personal Lines Statistical Plans**

**For PASP and PLSAP(AUTO), please contact:**

Daniel M. Crifo 201-469-2198 [Daniel.M.Crifo@iso.com](mailto:Daniel.M.Crifo@iso.com)

**For PLSPOTA and PLSAP(OTA), please contact:**

Gisselle Escotto 201-469-2247 [Gescotto@iso.com](mailto:Gescotto@iso.com)

- **Any of the following:**
  - **Using the response system, or**
  - **The lack of technical means for using the response system, or**
  - **The Statutory Page 14 totals from A.M. Best do not agree with your internal Statutory Page 14 totals, or**
  - **The submitted totals from ISO do not agree with your internal ISO submitted totals, or**
  - **All other issues or requests for filing extensions,**

**Please contact:**

Leon Tang 201-469-2278 [Ltang@iso.com](mailto:Ltang@iso.com)

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## Frequently Asked Questions (FAQs)

**Q.** *Sections of the electronic AV report that we received show zeroes, but our records show that we have Statutory Page 14 amounts and submitted amounts.*

**A.** **The AV report you received only includes differences that exceeded the 1% and \$5,000 tolerance.** Blank sections in your file are intentional (e.g. written premium section of a record); they represent the areas that were within the 1% and \$5,000 tolerance. Please refer to page 9 for more information.

**Q.** *What is our username/password to download the Response System software from the Internet?*

**A.** **Please refer to the e-mail you received from ISO that includes the electronic AV file and User Guide.** Your username and password is included in that e-mail.

**Q.** *The Statutory Page 14s are zero in the electronic AV report. We do not send our Statutory Page 14 information to A.M. Best. How should we reconcile the data?*

**A.** **If all of the Statutory Page 14s are zero and your companies don't send their Statutory Page 14 information to A.M. Best then you should verify that the data that your group reported to ISO is complete.** Please use UN99 to account for 100% of the difference amount shown on the report. If the data your group reported is complete then you should confirm this in the UN99 Explanation box. If the data is not complete then you should indicate this in the UN99 Explanation box, and explain further.

## Section B - Preparing To Reconcile Your Data

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### Save This Year's AV File

The file that you received from us via e-mail is called **XXXXCW10.txt**, where XXXX equals your group number. **Please locate that file and save an original, unmodified copy to your hard drive.** Make a note of where you saved it for future reference.

The copy on your hard drive is the copy that you will need to access when you first use the response system.

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### How To Open And Save The AV File As A Spreadsheet

Please follow these instructions if you want to view the file as a spreadsheet. **Following the instructions from this section is optional.** You may skip this section if you do not want to view the information as a spreadsheet.

You will find the file easier to read and comprehend after you save it as a spreadsheet and label all columns. The following instructions will guide you on how to do this. **Important: The spreadsheet is solely for your research purposes only. It is not part of the response that you will return to ISO.**

*The following instructions are based on the Microsoft® Excel spreadsheet program. However, you may open the file with any other spreadsheet program you may have. Please modify the instructions accordingly.*

1. Make a note of where you saved the file called **XXXXCW10.txt**, where XXXX equals your group number.
2. Start the Microsoft® Excel program. If already started, make it the active window.
3. In Microsoft® Excel, click on **File**, then **Open**.
4. In the **Look In:** drop down window, select the drive where you saved the file called **XXXXCW09.txt**. If your AV file is in a folder, select the folder from the list under the **Look In:** drop down window.
5. In the **Files of Type:** drop down window, select **All Files (\*.\*)**.
6. Click on the AV filename listed, e.g. **XXXXCW10.txt**, and then click **Open**.
7. **Step 1 (File type)** of the Text Import Wizard should appear on your screen. **Do not change anything.** Click on **Next>**.

8. **Step 2 (Field widths). Do not change anything.** Click on **Next>** again.
9. **Step 3 (Data format). Select the first four columns** of the data preview by holding down the Shift key and clicking on the fourth column.
10. Under **Column Data Format** select **Text**. (Note: This changes the format of the first four columns that you selected to the text format. If you do not do this, your company and/or state numbers will appear incorrectly.)
11. Click on **Finish** to complete the opening of your file.

**Before you go on, please do the following to save the spreadsheet to your hard-drive:**

1. Click on **File**, then **Save As**.
2. In the **Save In:** drop down window select the drive that you'd like to use.
3. Select the appropriate folder into which you would like to have your file saved.
4. In the **File Name:** box type the name that you would like to call the file. Make sure that the **Save As Type** is **Microsoft<sup>®</sup> Excel Workbook**.
5. Click on **Save**.

Now the AV file is saved as a spreadsheet in the folder that you designated on your PC.

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## AV File Column Headings

**Headings are not included in the file that you received.** To simplify your research you should label the top of each column in your spreadsheet. Following is a column layout of the Annual Verification file:

- **ROW 1**

Row 1 is for ISO's informational purposes only. You may delete this row.

- **ROW 2 AND SUBSEQUENT**

From Row 2 and on, the following layout applies:

Column	Contents	Length
<b>1 or A</b>	ISO <b>Group</b> Number	4
<b>2 or B</b>	ISO <b>Company</b> Number	4

**An ISO Company Number of 0000 indicates a group aggregate record. A non-zero ISO Company Number indicates a company detail record.**

<b>3 or C</b>	State	2
<b>4 or D</b>	Annual Statement Line	3
<b>5 or E</b>	Calendar Year	4
<b>6 or F</b>	<b>Statutory Page 14 Written Premiums</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>7 or G</b>	ISO <b>Submitted</b> Amount <b>Written Premiums</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>8 or H</b>	<b>Difference</b> Between the Statutory Page 14 and Submitted Amount <b>Written Premiums</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>9 or I</b>	ISO <b>CSP/CMSP/CSAP/CSP-i</b> Submitted Amount <b>Written Premiums</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>10 or J</b>	ISO <b>PLSP(OTA)/PLSAP(OTA)</b> Submitted Amount <b>Written Premiums</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>11 or K</b>	ISO <b>PASP/PASAP</b> Submitted Amount <b>Written Premiums</b>	Up to 13. (12 for dollar amount; 1 for negative sign)

<b>12 or L</b>	<b>Statutory Page 14 Paid Losses</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>13 or M</b>	<b>ISO Submitted Amount Paid Losses</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>14 or N</b>	<b>Difference Between the Statutory Page 14 and Submitted Amount Paid Losses</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>15 or O</b>	<b>ISO CSP/CMSP/CSAP/CSP-i Submitted Amount Paid Losses</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>16 or P</b>	<b>ISO PLSP(OTA)/PLSAP(OTA) Submitted Amount Paid Losses</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>17 or Q</b>	<b>ISO PASP/PASAP Submitted Amount Paid Losses</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>18 or R</b>	<b>Statutory Page 14 12/31 Outstanding Losses*</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>19 or S</b>	<b>ISO Submitted Amount 12/31 Outstanding Losses*</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>20 or T</b>	<b>Difference Between the Statutory Page 14 and Submitted Amount 12/31 Outstanding Losses*</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>21 or U</b>	<b>ISO CSP/CMSP/CSAP/CSP-i Submitted Amount 12/31 Outstanding Losses*</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>22 or V</b>	<b>ISO PLSP(OTA)/PLSAP(OTA) Submitted Amount 12/31 Outstanding Losses*</b>	Up to 13. (12 for dollar amount; 1 for negative sign)
<b>23 or W</b>	<b>ISO PASP/PASAP Submitted Amount 12/31 Outstanding Losses*</b>	Up to 13. (12 for dollar amount; 1 for negative sign)

*\*Currently the Annual Verification requires the reconciliation of the 12/31 Outstanding Losses for annual statement lines 191, 192, and 211 only. Any out of tolerance for that Type of Statistic will be shown for those lines only.*

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## How The AV File Is Organized

The AV report you received only includes differences that exceeded the 1% and \$5,000 tolerance. Blank sections in your file are intentional (e.g. written premium section of a record); they represent the areas that were within the 1% and \$5,000 tolerance.

As a guideline, you should target those differences (Columns 8, 14, 20, or H, N, T) that do not equal zero. Those are the areas that require reconciling.

The file is divided into **aggregate records** and **company detail records**. All aggregate records are listed first, with **0000** in column 2. Non-zero numbers in column 2, on the other hand, indicates a company detail record.

**Reconciliation is required on the aggregate records only.** Company detail records are included in the file for information only and should not be reconciled.

**For each State/ASLOB/Type of Statistic**  
**One Aggregate Record = the sum of the company detail records**

**Each State/ASLOB/Type of Statistic will have one aggregate record. The same State/ASLOB/Type of Statistic will have one or more company detail records.** The exception to this applies to those ISO Groups that only have ISO Company Numbers that equal the ISO Group Number. These types of groups will have aggregate records only and will not have company detail records.

### Definitions:

**Aggregate Record:** Sum, by State/ASLOB/Type of Statistic, of all of the companies within the ISO Group. These types of records contain 0000 in the ISO Company Number field (see Column 2 or B).

**Company Detail Record:** Individual breakdown, by State/ASLOB/Type of Statistic, of all of the companies within the ISO Group. These types of records contain non-zero numbers in the ISO Company Number field (see Column 2 or B).

## Section C - How To Reconcile Your Data

The Annual Verification must be performed for each difference that exceeds the tolerance level of **1% and \$5,000** for Written Premiums, Paid Losses, and/or 12/31 Outstanding (O/S) Losses within all Annual Statement Lines of Businesses (ASLOBs) for which you are required to report statistics to ISO.

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### What Dollar Amount Should Be Reconciled?

**You must account for each difference shown on the report (columns 8, 14, or 20).** For example, if you have a Written Premium difference of \$500,000 for annual statement line 010, all of the unallocated (UN) codes that you use should add up to \$500,000. A sample reconciliation breakdown for this difference could be:

UN12	230,000
UN22	250,000
UN21	20,000

**Keep this formula in mind:**

**(AV Difference Amount) - (Sum of the unallocated (UN) Codes) = 0\***

*\* ISO does not require that you reconcile the differences to the exact amount originally questioned.*

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### Reconciliation Guideline

In order to perform the required verification, you should use the following guideline as you reconcile each State/ASLOB/Type of Statistic that contains differences requiring reconciliation:

1. Verify the amounts shown as submitted to ISO and the amounts for the Statutory Page 14. **The submitted amount includes only accepted data (both valid and invalid records).** Completely rejected submissions or modules (those not passing UNIRA edits) are excluded from statistical plan totals.
2. Choose one or more unallocated codes that best describe the reason for the difference. Please keep in mind that:
  - a) If more than one unallocated code is used, each code should contain a portion of the total difference being reconciled.
  - b) The **sum of all unallocated codes** for any State/ASLOB/Type of Statistic **should be equal to the difference**, not the Statutory Page 14 amount or the submitted amount.
  - c) Unallocated (UN) codes should be used as much as possible. Differences that cannot be explained by the pre-defined unallocated codes, UN02 - UN93, should be coded under UN99 and briefly explained.

d) A UN99 explanation is mandatory for all UN99 amounts greater than \$100,000 and must be included in the electronic response.

e) All of the UN dollar amounts need to be included in your electronic response.

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## State Codes

The following are valid state codes that may appear in your annual verification file:

01	Alabama	27	Nevada
02	Arizona	28	New Hampshire
03	Arkansas	29	New Jersey
04	California	30	New Mexico
05	Colorado	31	New York
06	Connecticut	32	North Carolina
07	Delaware	33	North Dakota
08	District of Columbia	34	Ohio
09	Florida	35	Oklahoma
10	Georgia	36	Oregon
11	Idaho	37	Pennsylvania
12	Illinois	38	Rhode Island
13	Indiana	39	South Carolina
14	Iowa	40	South Dakota
15	Kansas	41	Tennessee
16	Kentucky	43	Utah
17	Louisiana	44	Vermont
18	Maine	45	Virginia
19	Maryland	46	Washington
20	Massachusetts	47	West Virginia
21	Michigan	48	Wisconsin
22	Minnesota	49	Wyoming
23	Mississippi	52	Hawaii
24	Missouri	54	Alaska
25	Montana	58	Puerto Rico
26	Nebraska	99	Unknown*

*\*State Code 99 is used by ISO to identify all state codes included in your statistical submissions that do not match any of the other state codes.*

*In your AV report, every instance of 99 represents an aggregate of the unknown states used within a particular ASLOB. You must reconcile any Type of Statistic within state 99 when it is out of tolerance.*

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## Annual Statement Line Of Business (ASLOB) Codes

The following are valid ASLOB codes to which experience may have been assigned on the Statutory Page 14 of your company's annual statement and for which data may have been submitted to ISO:

010	Fire
021	Allied Lines (excluding Multiple Peril Crop)
022	Multiple Peril Crop
030	Farmowners Multiple Peril
040	Homeowners Multiple Peril
051	Commercial Multiple Peril (Fire & Allied Lines)
052	Commercial Multiple Peril (Liability)
090	Inland Marine
110	Medical Malpractice
120	Earthquake
171	Other Liability - Occurrence (excluding Products Liability & Excess Workers' Compensation)
172	Other Liability - Claims Made (excluding Products Liability & Excess Workers' Compensation)
173	Excess Workers' Compensation
180	Products Liability
191	Private Passenger Auto No-Fault
192	Other Private Passenger Auto Liability
193	Commercial Auto No-Fault
194	Other Commercial Auto Liability
211	Private Passenger Auto Physical Damage
212	Commercial Auto Physical Damage
260	Burglary and Theft
270	Boiler and Machinery
300	Warranty
340	Aggregate Write-ins for Other Lines of Business
999	Unknown**

**\*\* ASLOB Code 999 is used by ISO to identify all annual statement lines included in your statistical submissions that do not match any of the other ASLOB codes.**

***In your AV report, every instance of 999 represents an aggregate of the unknown annual statement lines used within a particular state. You must reconcile any Type of Statistic within ASLOB 999 when it is out of tolerance.***

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**Discontinued ASLOBs**

The following ASLOBs have been discontinued on the annual statement. Data may optionally be reported to ISO with these ASLOBs.

<b>020</b>	Allied Lines
<b>050</b>	Commercial Multiple Peril
<b>100</b>	Products
<b>170</b>	Other Liability
<b>250</b>	Glass
<b>310</b>	Aggregate Write-ins for Other Lines of Business
<b>330</b>	Aggregate Write-ins for Other Lines of Business

*Out of tolerance differences for these discontinued lines will appear on the AV file with submitted amounts but no Statutory Page 14 amounts. These differences must be reconciled within \$10,000 of the total difference amount. The response system will not accept a Total Unallocated (UN) Code amount that does not fall within this tolerance.*

## Section D - Unallocated (UN) Codes And Definitions

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### List Of Unallocated Codes

The following are valid unallocated codes that you may use to account for the differences that you need to reconcile:

#### UN02 through UN05

At times a company may book data for accounting purposes in one year but statistically report such data to ISO in a year different from the year in which it was booked. Categories UN02 through UN05 are designed to deal with such situations, provided that the data is not booked and reported in different years due to errors in data (categories UN06 through UN09 deal with error data). Categories UN02 and UN03 will normally cause current year financial totals to be greater than current year statistical totals, while categories UN04 and UN05 will normally cause the reverse.

**If you have a significant amount of data being booked and reported in different years, then you should review your statistical reporting procedures in order to verify that they are correct.** You should also verify that you have a procedure to guarantee that all such data is ultimately booked and reported properly.

---

#### UN02

**Business financially booked in calendar year 2010 and statistically reported in previous calendar years, not including error data in suspense files.**

Example: In calendar year 2009, an estimated annual premium was reported to the statistical agent but not placed on your company's books. In calendar year 2010, after final audit, either a credit or a debit is reported to the statistical agent, and the actual final premium is put on your company's books.

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#### UN03

**Business financially booked in calendar year 2010 that is to be statistically reported in a subsequent calendar year, not including error data in suspense files.**

Example: Your company may write a large risk for which an initial provisional premium is charged and booked in calendar year 2010. This risk will be statistically reported to the statistical agent in a subsequent calendar year when you have complete details on the risk by state or line of business, or both.

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## UN04

**Business financially booked in a previous calendar year and statistically reported in calendar year 2010, not including error data in suspense files.**

Example: Same as for UN03 with reversal of the financial booking and statistical reporting years.

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## UN05

**Business statistically reported in calendar year 2010 that is to be financially booked in a subsequent calendar year, not including error data in suspense files.**

Example: Same as for UN02 with reversal of the financial booking and statistical reporting years.

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## UN06 through UN09

The next four reporting categories are similar to categories UN02 through UN05, except that categories UN06 through UN09 are reserved for data that a company has failed to report or book because of the presence of errors. **You should closely monitor the amounts of data in categories UN06 through UN09 in order to make sure that statistical reporting requirements are not being violated.**

Categories UN06 and UN07 are for the data that fails statistical edits, and thus is booked before it is reported, while categories UN08 and UN09 are for data that has been statistically reported but that has failed an edit in your financial booking system.

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## UN06

**Error and incomplete suspense file data statistically reported in calendar year 2010 that was financially booked in a previous calendar year.**

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## UN07

**Error and incomplete suspense file data financially booked in calendar year 2010 to be statistically reported in a subsequent calendar year.**

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## UN08

**Error and incomplete suspense file data financially booked in calendar year 2010 and statistically reported in previous calendar years.**

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## UN09

**Error and incomplete suspense file data statistically reported in calendar year 2010 that is to be financially booked in a subsequent calendar year.**

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## UN11 through UN12

The next two categories are designed to handle FAIR Plans, etc. Category UN12 is for pool and association assignments that are not statistically reported by a servicing carrier.

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### UN11

*Note: This code is applicable to servicing carriers only.*

**FAIR Plan and other "association" type business, not including automobile JUAs, that your company (as a servicing carrier) statistically reported to ISO.**

Comment: A servicing carrier should have data in each category, i.e., both its assignment from the plan (reported as UN91 (formerly "OTHR")), and the data it has reported as a servicing carrier (reported as UN11).

---

### UN12

**Pool and other "association" type business that appears on the Statutory Page 14, but that is not required to be statistically reported to any statistical agent or state insurance department.**

Comment: You should use UN91 to account for any pool and "association" type business that is statistically reported to another statistical agent or directly to a state insurance department.

---

### UN13

*Note: This code applies to limited circumstances. Therefore, you may not use this code without prior approval from ISO. We expect a minimal amount of data within this category.*

**Business financially booked by this insurer as direct business, but statistically reported to ISO by another insurer that is not part of the same transmittal group.**

Comment: **This code does not apply to data reported to ISO on your company's behalf by a third party, including Hartford Steam Boiler or an MGA.** Your annual verification report includes any business that these types of entities reported. If the entities have under or over-reported your data then please explain with UN99.

The ISO Statistical plans are applicable to direct business. However, some companies have made special arrangements to have another company manage all or part of their direct business. As part of the arrangement, and with ISO's permission, the managing company will report other companies' statistical experience to ISO under its own transmittal group. This category is for such arrangements. **Please contact ISO to determine if this code would apply to your circumstances.**

---

## UN14

*Note: This code applies to limited circumstances. Therefore, you may not use this code without prior approval from ISO. We expect a minimal amount of data within this category.*

**Business statistically reported to ISO by this insurer, but financially booked as direct business by another insurer that is not part of the same transmittal group.**

Comment: This category is also designed to handle special arrangements as described for category UN13 above. However, this category would be used by the managing company, which also statistically reports the data to ISO. The managing company may report the business to ISO only with ISO's permission. **Please contact ISO to determine if this code would apply to your circumstances.**

---

## UN16

*Note: We expect a minimal amount of data in this category.*

**Memo adjustments.**

Example: Unrecorded audit premiums written and earned within the calendar period that are input to the Statutory Page 14 in the form of a memo adjustment. (This type of adjustment is the premium equivalent of incurred but not reported (IBNR) losses.)

Comment: This category includes any supplemental adjustment made to the Statutory Page 14 to reflect activity for the calendar year that has not been entered into the financial and statistical systems.

You should not use this category to account for activity that was entered into the financial, but not statistical, system. Activity entered into the financial system should also be entered into the statistical system for reporting.

---

## UN17

*Note: We expect a minimal amount of data in this category.*

**Rounding.**

Comment: Rounding applies to totals of money dropped or increased by dropping 1 through 49 and by increasing or decreasing the dollar amount by 1 (depending on whether the amount is positive or negative, respectively) for 50 through 99 cents. Normally, statistical records would be rounded on a transaction basis, while the Statutory Page 14 totals are rounded on a summarized basis.

---

## UN19

*Note: This code should NOT be used for surplus lines of business. You should use UN28 to account for surplus data.*

### **Free Trade Zone or non-admitted business.**

Comment: Free Trade Zone business includes business written in a state where a company has received special license to write large and unusual risks, free of certain rate and policy form filing requirements. Such business is reportable to the state insurance department.

Non-admitted business refers to business written in a state where a company is not licensed but has approval from the state to write specific business. Such business is not statistically reported to any statistical agent or state insurance department.

---

## UN20

*Note: This code is applicable to outstanding losses only.*

### **Incurred but not reported (IBNR), bulk reserves, or anticipated salvage & subrogation included in the financial statement outstanding losses but not reported to ISO.**

Comment: Data is reported to ISO on a unit transaction basis. Therefore, IBNR, bulk reserves, and anticipated salvage & subrogation are not reported to ISO. This category includes adjustments made to case reserves on a bulk basis.

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## UN21

### **Budget, Installment, Finance Charges, and MGA fees.**

Comment: This category includes budget, installment, finance charges, and MGA fees for various lines of business that are included in the Statutory Page 14 but do not get reported to ISO.

---

## UN22 and UN23

Glass business (formerly ASLOB 250) has been incorporated into ASLOB 021 (Allied Lines excluding Multiple Peril Crop). Aggregate Write-Ins for Other Lines of Business (formerly ASLOB 310, 330) has been renumbered to line 340.

Allied Lines business (formerly ASLOB 020) and Commercial Multiple Peril business (formerly ASLOB 050) has each been split into two ASLOBs. ASLOB 021 is designated for Allied Lines excluding Multiple Peril Crop; ASLOB 022 is designated for Multiple Peril Crop. ASLOB 051 is designated for CMP - Fire and Allied Lines business; ASLOB 052 is designated for CMP - Liability business.

Other liability (formerly ASLOB 170) has been split into ASLOBs 171, 172 and 173. ASLOB 171 is designated for Other Liability - Occurrence, ASLOB 172 is designated for Other Liability - Claims Made, and ASLOB 173 is designated for Excess Workers' Compensation.

The next two unallocated categories were designed to facilitate the recording of these types of business on the Annual Verification, although you may use these codes with any ASLOB, where appropriate.

---

## UN22

**Business financially booked in this state and ASLOB but statistically reported to ISO in this state with another ASLOB.**

Comment: UN22 should never be reconciled with ASLOBs that do not have the Statutory Page 14 (such as ASLOB 170).

---

## UN23

**Business statistically reported to ISO in this state and ASLOB but financially booked in this state with another ASLOB.**

Comment: The totals for UN22 and UN23 are expected to offset each other within your internal records. Should further information be required, you should be able to provide documentation detailing the overall breakdown for these categories.

---

## UN28

**Surplus lines of business that appears on the Statutory Page 14, but that is not required to be statistically reported to any statistical agent or state insurance department.**

Comment: This category includes business for a risk or part of a risk placed with a non-admitted insurer on an unregulated basis.

---

## UN29

*Note: This code is applicable to paid losses only.*

**Salvage & subrogation expenses reported to ISO as paid losses, but financially booked on the annual statement as Paid Direct Defense and Cost Containment Expenses.**

Comment: Expenses incurred in effecting the salvage or subrogation recoveries are reportable to ISO as paid losses. UN29 is for the out-of-balance that may be caused by these types of expenses.

---

## UN91

**Data reported to any other statistical agent, State Insurance Department, etc., plus run-off experience reported to another statistical agent, plus experience written and reported through Pools, Coastal Plans, FAIR plans, etc., except Automobile JUAs.**

Your company does not report such data to ISO. Data in this category includes:

- 1) Data reported to the PCI, AAIS, NISS, or any other statistical agent
  - 2) Data reported to individual State Insurance Departments
  - 3) Data reported on your behalf by Pools and Associations (e.g., coastal pools)
  - 4) Data reported on your behalf by FAIR Plans
  - 5) Mine Subsidence
- 

## UN92

**Run-off data not reported to ISO from the minimum plan, Stat Agent Plan or discontinued ISO statistical plans.**

Comment: When a company no longer reports at the minimum-level or Statistical Agent Plan level of ISO's statistical plans, the run-off is not reportable. Also, when ISO implements a new Statistical Plan, there is typically a "cut-off date." Companies do not report run-off from the old Statistical Plan. **These types of non-reported run-off data should be accumulated in this category.**

---

## UN93

**Automobile JUA premiums or losses included on your company's Statutory Page 14, and reported statistically by a servicing carrier.**

---

## UN99

*Note: This last category is applicable when none of the other categories apply. A minimal amount of data is expected in this category.*

### **Miscellaneous.**

Comment: If you have a significant amount of data in the miscellaneous category, then you should verify that this data should not more properly be assigned to one of the other categories.

**An explanation is required for all UN99 amounts greater than \$100,000.** However, UN99 amounts less than \$100,000 that you do not explain may be questioned by ISO at a later date.

Groups that would like to provide a more detailed explanation should forward separate documentation to ISO.

## Section E - Annual Verification (AV) Response System

The Countrywide AV Response System creates a complete and correctly formatted electronic response file that is based on the information that ISO included on your Annual Verification file.

---

### Enhancements For Calendar Year 2010 Data

**There are no enhancements to the response system. You should continue to use version 5.0.** You can verify this by clicking Help. . .About from within the system. If you are not using version 5.0 then you should uninstall the software and install the latest version that is available on the Internet.

---

### System Requirements

Your **screen resolution** should be set to **1024 by 768 pixels**. If it is not set to that resolution, the screens of the response system may be cut off.

**The response system will work with Windows 2000 or later.** Due to variations among the many versions of Windows, and in an effort to most effectively address response system questions, we are limiting our technical support to Microsoft® supported operating systems. However, this is not to suggest that the response system will not function in environments not currently supported by Microsoft®.

We believe the response system will function in some of the older environments but since we do not test on those operating systems, we cannot make any guarantees. There will be limited support available to those companies installing and running the response system in unsupported Microsoft® environments. We will attempt to respond to company questions to the best of our ability, but we may not be able to resolve all problems.

**The application is designed to be installed and run only on a local drive, not on a network drive.** ISO does not support the installation and running of the response system on a network. However, this does not mean that your data files cannot be stored on a network drive.

---

### Removing Prior Versions

**You should continue to use version 5.0.** You can verify this by clicking Help. . .About from within the system. **If you are using version 5.0 then you should skip this section. If you are not using version 5.0** then you should uninstall the software and install the latest version that is available on the Internet.

**In order to properly install the latest software you must uninstall the prior version of the software from your PC:**

1. Click on your Windows **Start** button, highlight **Settings**, and click on **Control Panel**.
2. From the Control Panel double-click on **Add/Remove Programs**.
3. The window **Add/Remove Programs Properties** will appear. Select **CWAV** from the list of programs listed. Click **Add/Remove**.
4. If you receive messages that certain files are shared, click on **Keep**.

You will receive a message that the program has been successfully uninstalled.

---

## **Installing The Current Version of the AV Response System**

**You should continue to use version 5.0.** You can verify this by clicking Help. . .About from within the system. **If you are using version 5.0 then you should skip this section. If you are not using version 5.0** then you should uninstall the software and install the latest version that is available on the Internet.

**Important! Please make sure that you have uninstalled the prior version of the response system before continuing with the following instructions. The prior version will not be replaced, or overwritten, if you do not uninstall it before installing the current version.**

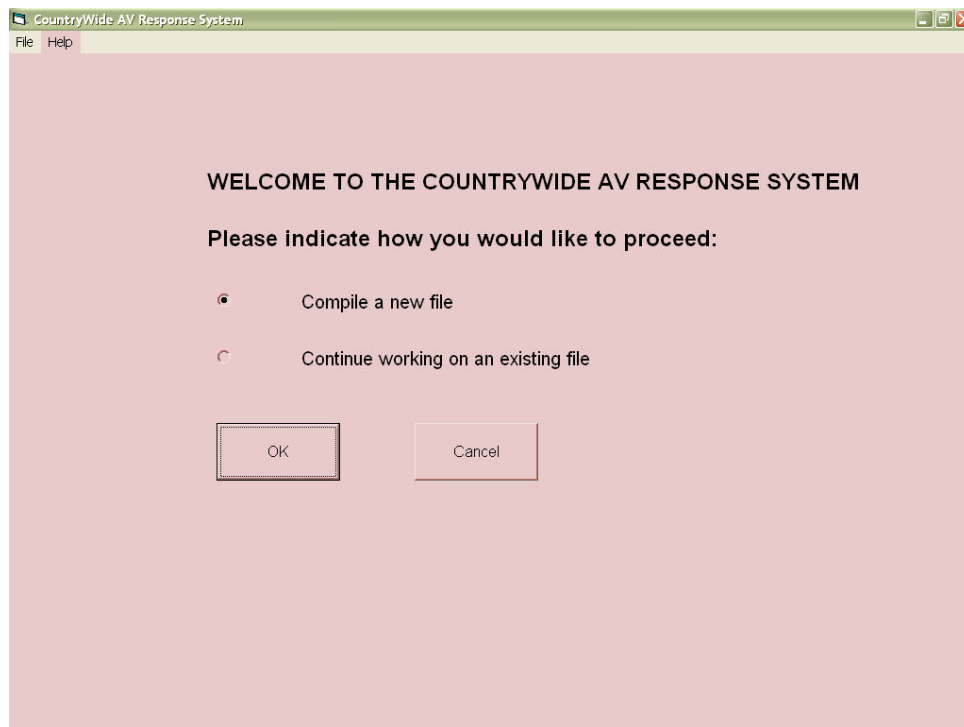
1. Close any applications that may be running, e.g. Microsoft® Excel, Microsoft® Word.
2. Open your Internet browser and go to **http://www.iso.com**.
3. Click on the **Data Collection Services** link that is located on the left hand side of the screen.
4. Click on **Annual Verification** located on the left-hand side of the screen.
5. Scroll down to the heading **“Downloading”** and click on Calendar-Year 2010 Countrywide Annual Verification Response System software.
6. **Enter the username and password** that was included in the e-mail to which the file that you received from us was attached, and then click on **Submit**.
7. Click on **Click here**.
8. Click on **Open this file from its current location** and then click **OK**.
9. Double-click on **setup.exe**. You will receive the message “WinZip will extract all files to a temporary folder and run the setup.exe program.” Click on **OK**.
10. The **CWAV Setup** screen will appear. Click **OK**.
11. The **Begin Installation** screen will appear. Click the large button that is on the left side of the pop-up window.
12. The **Choose Program Group** screen will appear. Click **Continue**.

13. Click **Yes** if you receive messages that files being copied are older than the files on your PC. You should keep the version of the files that are on your PC.
14. You should get the message, “CWAV Setup was completed successfully.”
15. Click **OK**.
16. Close any installation windows that remain open.

---

## Starting The System

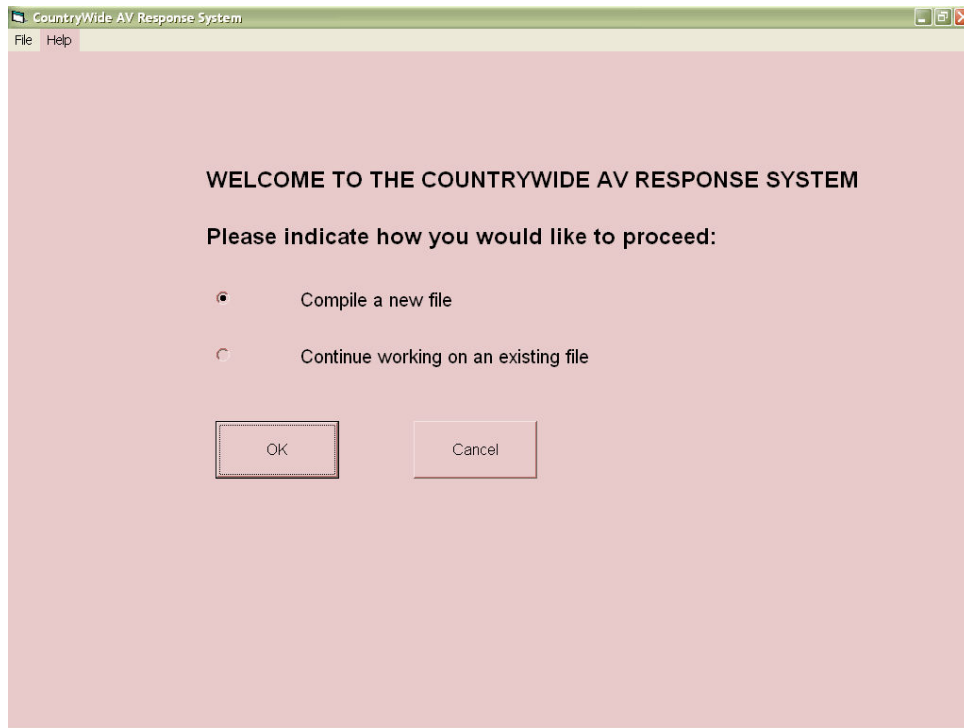
Click your Windows **Start** Button, highlight **Programs**, highlight **CWAV05**, and click on **CWAV05**.



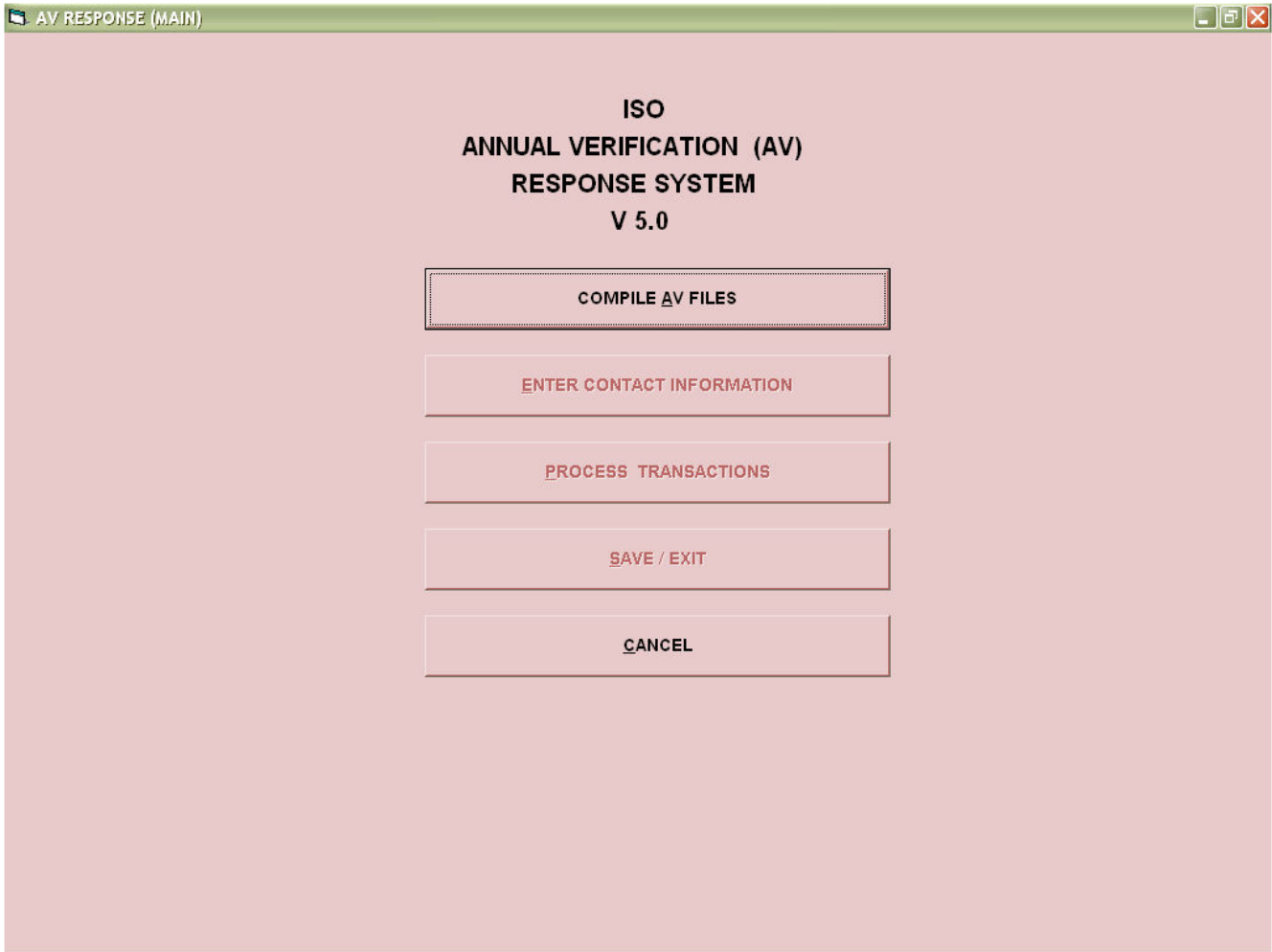
**You should be using version 5.0.** You can verify this by clicking Help . . .About. If you are not using version 5.0 then you should uninstall the software and install the latest version that is available on the Internet.

---

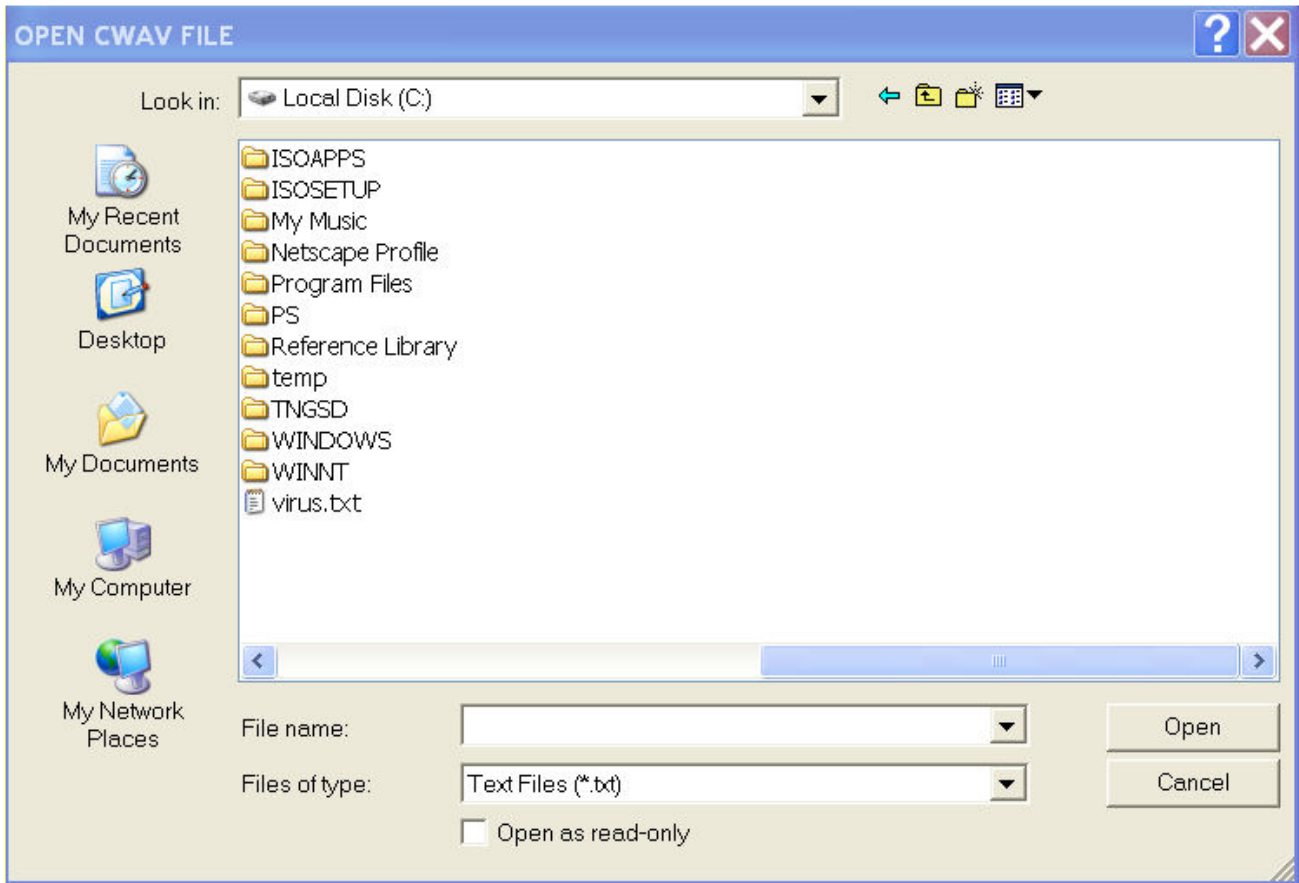
# How to Compile Your AV File



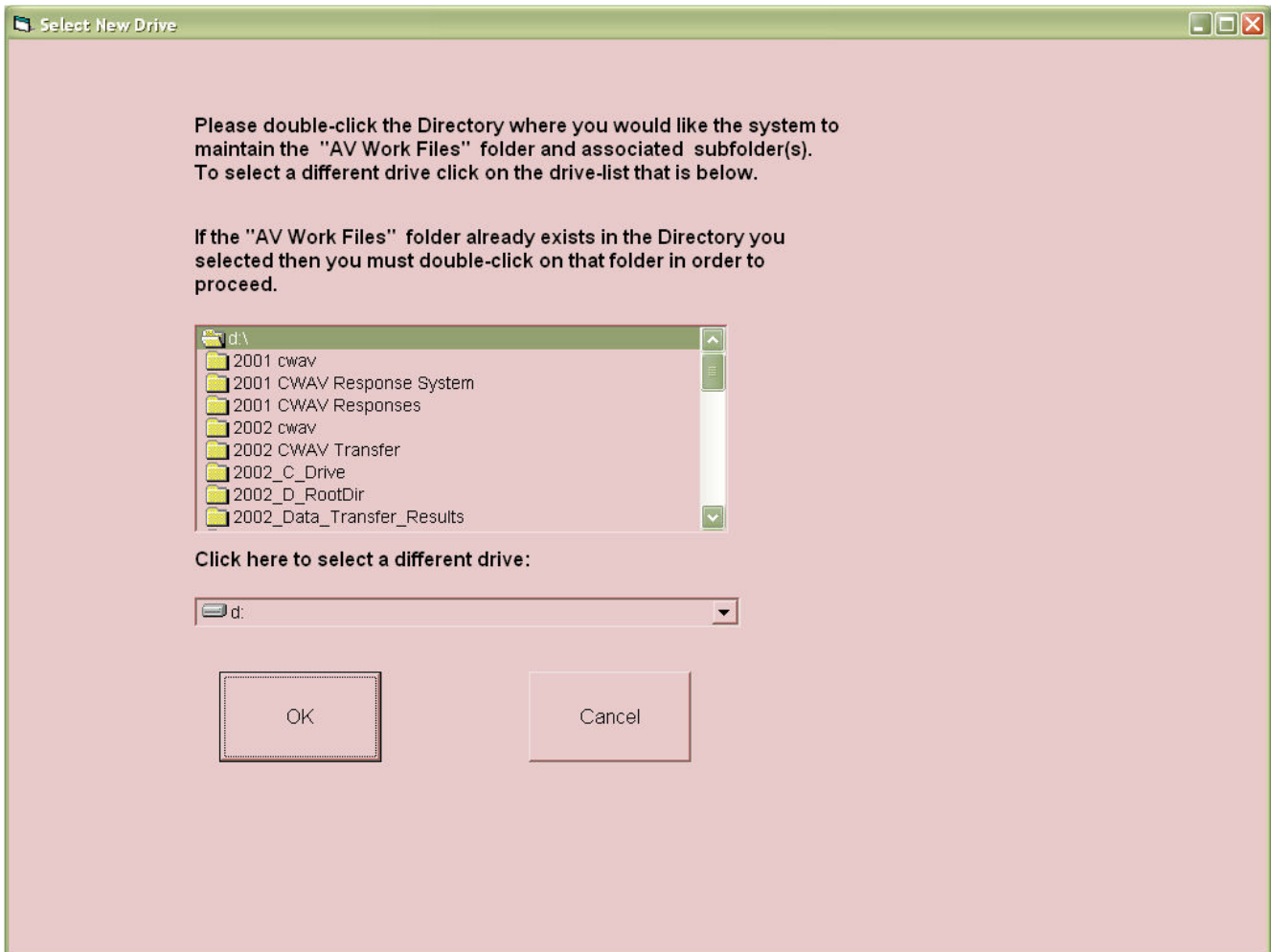
Click **OK** to Compile a new file.



Click **Compile AV Files**.



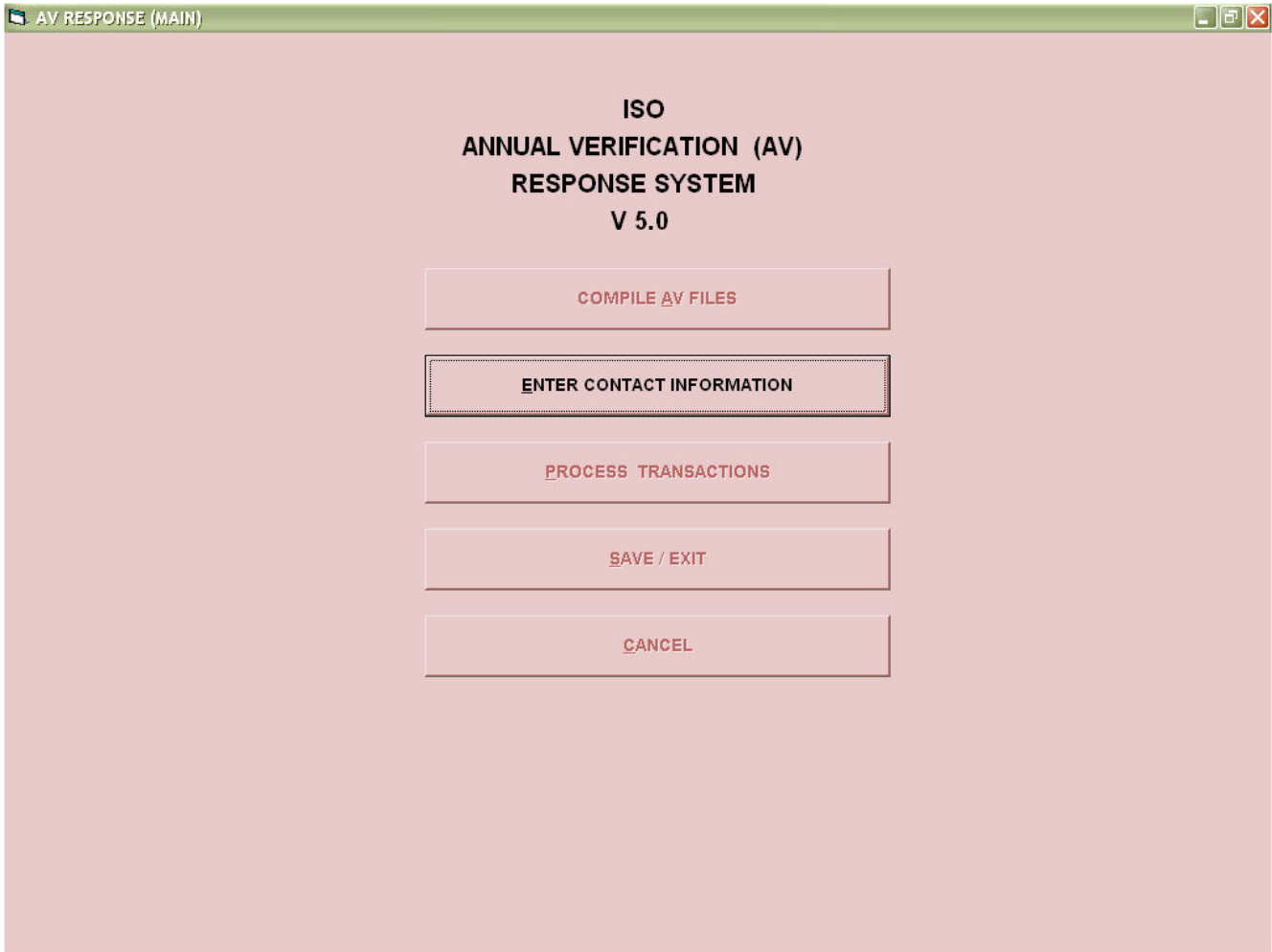
The **Open CWAV File** window will appear. You should select the hard drive and folder where you saved the AV file we e-mailed to you. **Please note that the file will not be in the AV Work Files folder.** The file you need to select will be called **XXXXCW10.txt**, where XXXX equals your group number. Double-click on the file, or select it and then click on **Open**.



Follow the screen message to double-click the directory where you would like the response system to maintain the AV Work Files folder and sub-folders. **If you would like to use the AV Work Files folder that was created in a previous year then you should select it at this time. This will allow the same AV Work Files folder to maintain different sub-folders by Calendar Year/Group.**

You may select a different drive under **Click here to select a different drive.**

After you've made your selections, click **OK**.



Click **Enter Contact Information**.

**These fields  
are  
automatically  
populated**

AV CONTACT FORM

ISO GROUP 9999 AV TYPE CW CALENDAR YEAR 2010

ENTER CONTACT INFORMATION:

NAME

PHONE

EMAIL ADDRESS

UPDATE CONTACT INFORMATION

CANCEL

The AV Contact Form screen will appear. **This screen will appear only once right after you compile a new file. The ISO Group, AV Type, and Calendar Year are automatically populated by the system. If you notice that these fields are not populated then the file that you compiled in the previous step was modified before you used the system. Before you can continue you must click on Cancel and recompile the original file that we e-mailed to you.**

- Please enter the contact information of the person to whom we should direct any questions or comments about the AV response.
- After you have entered your contact information please click on **Update Contact Information**.
- You will receive the message: *Contact information has been updated. Thank You.* Click **OK**.
- Click **Process Transactions** to start processing your AV file.

AV TABLE

ANNUAL VERIFICATION TRANSACTION TABLE

TRAN#	GROUP	YEAR	ST	LOB	TOS	STATUS	STATUTORY P14	SUBMITTED AMT	DIFFERENCE AMT	TOTAL UN AMT	REMAINING DIF AMT
0001	9999	2010	01	050	1	OPEN	0	58,759	-58,759		-58,759
0002	9999	2010	12	051	1	OPEN	635,939	897,785	-261,846		-261,846
0003	9999	2010	31	052	1	OPEN	325,906	303,008	22,898		22,898
0004	9999	2010	01	050	2	OPEN	0	243,639	-243,639		-243,639
0005	9999	2010	31	052	2	OPEN	461,536	231,540	229,996		229,996
0006	9999	2010	32	050	2	OPEN	0	22,859	-22,859		-22,859

EMPERE

This field is for Type of Statistics: 1 is for written premium, 2 is for paid loss, 3 is for outstanding loss

Double click on the transaction that you want to process first.

PRINT TABLE

SAVE / EXIT

The **Annual Verification Transaction Table** will open. From this screen you may double-click on any transaction to activate processing for that transaction.

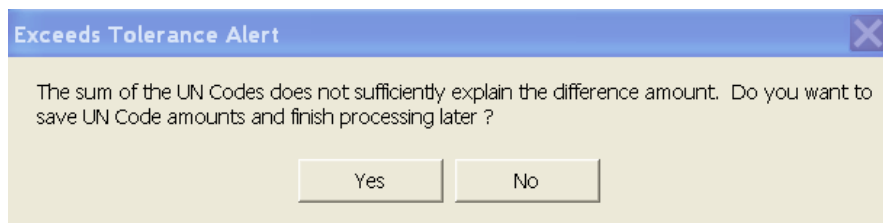
The **AV Response Form** screen will open for the transaction that you selected. Following is a general description of the screen buttons:

◆ **VALIDATE/PROCESS or VALIDATE/RE-PROCESS**

**You must click this button after you have entered all of the applicable UN code amounts for the current transaction. The transaction's information will not be saved unless you press this button.**

If you sufficiently explained the difference then the next transaction will automatically appear.

If you have not sufficiently explained the difference then the following message will appear:



Click **Yes** or **press enter** to save the transaction's information for processing at a later time. The system will save the information, keep the transaction's status as Open, and automatically display the next transaction.

Click **No** to continue working on the transaction without saving. You may make adjustments and then click **Validate/Process** again. **Caution: You must click Validate/Process in order for the system to save the current transaction's information.** The information on the screen will not be saved to the output file unless you click **Validate/Process**.

◆ ***NEXT TRANSACTION***

Click this button to skip to the next transaction. **Caution: Any data you have entered for the current transaction will not be saved unless you have clicked Validate/Process.**

◆ ***PREVIOUS TRANSACTION***

Click this button to skip to the previous transaction. **Caution: Any data you have entered for the current transaction will not be saved unless you have clicked Validate/Process.**

◆ ***RETURN TO AV TABLE***

Click this button to return to the AV table screen from which you can select a specific transaction for processing. **Caution: Any data you have entered for the current transaction will not be saved unless you have clicked Validate/Process.**

◆ ***SAVE/EXIT***

Click this button to save your work and exit the system. **Caution: Any data you have entered for the current transaction will not be saved unless you have clicked Validate/Process.**

---

## **General AV Response Form Rules**

- **Keying in credit amounts**

Negative, or credited amounts, must be keyed in with a preceding negative sign.

- **Keying in UN99 explanations**

A UN99 explanation is required for any UN99 amount greater than \$100,000. An explanation with a maximum of 500 characters is allowed.

You should not enter an explanation for any other UN code. The response system will only accept and transfer explanations for the UN99 field.

---

## Shortcut Keys

The following table lists the shortcut for each response system button. You may either click the button or depress its shortcut.

Button Name	Short-cut
<i><u>C</u>ompile <u>A</u>V Files</i>	ALT A
<i><u>P</u>rocess Transactions</i>	ALT P
<i><u>S</u>ave/Exit</i>	ALT S
<i><u>R</u>eturn To Main Panel</i>	ALT R
<i><u>V</u>alidate/Process or <u>V</u>alidate/Re-Process</i>	ALT V
<i><u>N</u>ext Transaction</i>	ALT N
<i><u>P</u>revious Transaction</i>	ALT P
<i><u>R</u>eturn To AV Table</i>	ALT R

---

## How to Quit The Current Session Without Saving

To disregard all of the transactions that have been processed during your active session, close the **AV Response Form** window by clicking the "X" button located on the far upper right hand corner of the window.

Please Note: This does not delete any saved information from prior sessions. If you want to start over from scratch, follow the instructions below.

---

## How To Start Over From Scratch

If you want to start over from scratch, make sure that you have closed the response system. Locate the **AV Work Files** folder and then delete the sub-folder that is associated with the **Calendar Year/Group** that you want to delete.

After deleting the sub-folder you should follow the instructions for **How To Compile Your AV File**.

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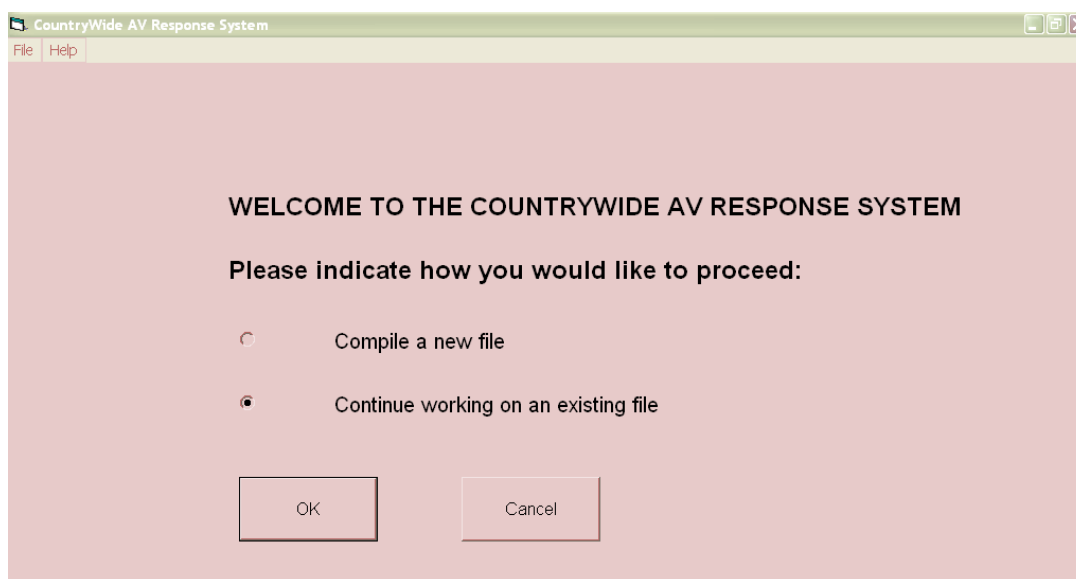
## How To Start Working On A Different Group

**These instructions are for those groups that are responsible for reconciling more than one AV report.** Please note that you do not need to complete processing the current group that you are working on before starting a different group.

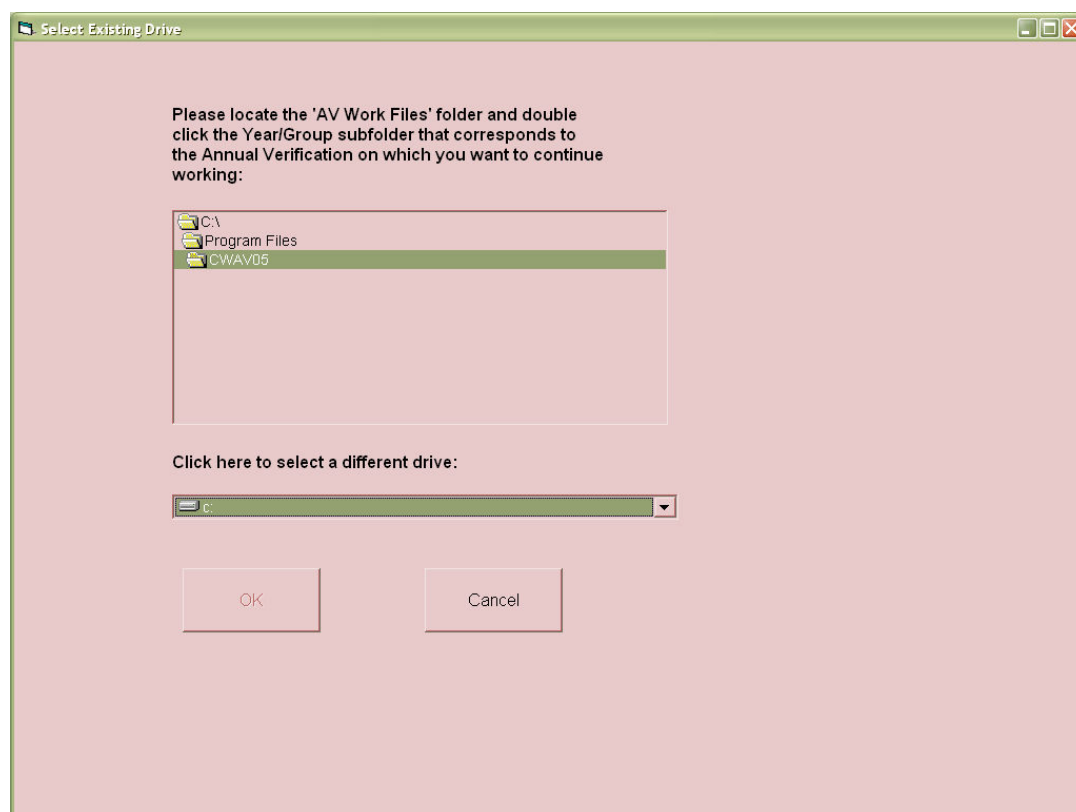
To start working on another group for the first time, make sure that you've saved/exited the file on which you're currently working. You should then follow the instructions for **How to Compile Your AV File**.

To continue working on another group at a later time, simply follow the instructions for **How To Continue Working on an Existing File**.

## How To Continue Working on an Existing File



To continue working on an existing file, select **Continue Working on an Existing File** when you start the system. Click **OK**.



Follow the screen message to locate the AV Work Files folder and Calendar Year/Group sub-folder on which you would like to continue working.

You may select a different drive under **Click here to select a different drive.**

After you've made your selections, click **OK.**

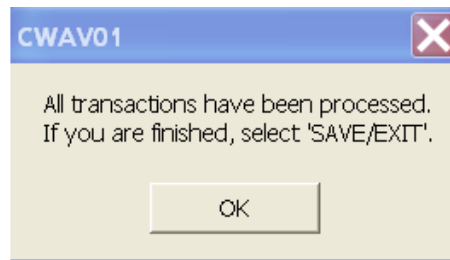
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## How To Switch To Another Group

If at any time you followed the instructions for **How To Start Working On A Different Group**, you may work on a different group by clicking on **Continue Working on an Existing File** when you start the system.

---

## When All Transactions Are Completed



You will receive the above message when all open transactions have received a closed status. **If you do not receive this message then there are transactions that still need to be reconciled.** Please check the AV Transaction Table for any status that indicates **Open.**

**You may not send your response file until all transactions are closed.**

After you receive the above message you may continue to review and change the information that you previously entered.

---

## How to Send Your Response File To ISO

Please do not send your response file until all transactions requiring reconciliation have received a closed status on the response system. We will not accept incomplete responses.

Go to your AV Work Files folder and select the sub-folder for the Calendar Year/Group on which you were working. The folder and sub-folder will be on the drive you selected when you first started the system. The sub-folder will contain the following files:

1. XXXX2010.txt <=====this is your group's response file
2. CWMS2010.txt
3. MFBK2010.txt
4. RFBK2010.txt

The file that you need to send to ISO is called XXXX2010.txt (where XXXX equals your group number). Please do not send us any of the other files.

### A. E-Mail

Address an e-mail to [Ltang@iso.com](mailto:Ltang@iso.com). In the subject line please include the following:

2010 CWAV, followed by a space;  
Your four-digit group number

Attach the file XXXX2010.txt (where XXXX equals your group number) and then send the e-mail.

### B. Diskette or CD

If you do not have e-mail, please forward a cover letter and diskette or CD to ISO. Copy the file XXXX2010.txt to a blank diskette or CD and label it according to the following format:

**2010 CW Annual Verification  
ISO Group XXXX**

where XXXX equals your group number.

**Mail the diskette or CD to:**

Leon Tang  
Insurance Services Office  
Data Collection, Acquisition & Service, 17-11  
545 Washington Boulevard  
Jersey City, NJ 07310-1686

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## Where to Send Additional Documentation

Please e-mail [Ltang@iso.com](mailto:Ltang@iso.com) to send any additional documentation that you'd like to be included as part of your reconciliation response.