User Guide and Reporting Instructions for

Michigan Financial Data Reporting Application (MIFDRA)

2019 Edition

Compensation Advisory Organization of Michigan
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# Table of Contents

## INTRODUCTION

## GENERAL INSTRUCTIONS

- Obtaining a Username and Password
- MIFDRA Web Application
- System Requirements
- Logging In
- CAOM Contact
- Data Provider Contact

## GENERAL REPORTING INSTRUCTIONS

- Definitions
  - Reporting Entity
  - Aggregate Totals
  - Calendar Year Totals
  - Prior Totals
  - Experience Period
  - Included Experience

- Financial Call Types
  - Primary Ratemaking Calls
  - Policy Year Calls
  - Calendar/Accident Year Calls
  - Other Primary Ratemaking Calls
  - Supplemental Ratemaking Calls

- Financial Call Components
  - Premiums Reported
  - Losses Reported
  - Indemnity and Medical Losses
  - Loss Categories
  - Indemnity Claim Count Data
  - Loss Adjustment Expenses (LAE)

- Other Experience Adjustments
  - Included Experience
  - Excluded Experience

## SPECIFIC CALL REPORTING INSTRUCTIONS

- Policy Year Call #3- Due Date April 1
- Assigned Risk Policy Year Call #3A- Due Date April 1

*MIFDRA User Guide, Effective December 2019*
Calendar-Accident Year Call #5- Due Date April 1

Calendar-Accident Year Call #5A- Assigned Risk: Due Date April 1

Reconciliation Report Call #8- Due Date: April 1

Countrywide Loss Adjustment Expense Call #19- Due Date: May 1

Large Loss and Catastrophe Call #31 – Due Date: April 1

MIFDRA WEB APPLICATION MENUS

Home Page
Announcements Page
Acknowledgement Page
Submissions Page
Criticisms Page
Manage Carrier Group Page
User Profile Page
Help
Log Out

ENTERING CALL DATA INTO THE MIFDRA

Group Reporting
Call Layout
Entering Data into the MIFDRA or MIFDRA Templates

CREATING A CALL IN THE MIFDRA V2.0

Create a new call by entering data directly into the MIFDRA application
Create a new call by downloading the Excel Template
Navigation in an Excel Template
Importing the template into the MIFDRA
Create a call by revising a previously submitted call

UPDATING OR MODIFYING A CALL DRAFT OR SUBMISSION

Review or revise a call
Button and Options on the ‘Edit Call Submission’ page

RUNNING THE EDITS CONTAINED WITHIN THE MIFDRA

General Instructions
Edit Errors
Running the Edits

CALL CRITICISMS
Checking Criticisms
Fatal Edits
APPENDIX..........................................................................................................................................41
Calculating Designated Statistical Reporting (DSR) Premium .................................................................41
Premium Components Summary .............................................................................................................42
Introduction

Every insurance company licensed to write workers’ compensation insurance within the State of Michigan, subject to the following condition, must submit their year-end aggregate financial data in accordance with the instructions contained herein to CAOM.

All carriers with over $100,000 of calendar year (CY) earned premium for the call year are required to report.

- If a carrier drops below $100,000 of CY earned premium for the call year, they are required to continue reporting for this year plus three additional years.
- After the three additional years of reporting, the carrier will be required to continue reporting until the open claim count is less than 10 and CY incurred loss is less than $100,000 after which, the carrier is no longer required to report.

1. This user guide contains the specific instructions for completing and submitting the Financial Call Reporting data, valued as of 12-31-2019.

2. This user guide is available to all Compensation Advisory Organization of Michigan, herein referred to as CAOM, member carriers writing workers’ compensation insurance in the State of Michigan.

3. The requested financial call conforms to existing industry forms and instructions. Should any questions exist, please contact CAOM.

4. The following chart lists the data calls required by CAOM along with their respective due dates.

5. CAOM utilizes an Internet-based financial call reporting tool called MIFDRA (Michigan Financial Data Reporting Application) to assist our membership in submitting their annual financial call data.

<table>
<thead>
<tr>
<th>Data Call #</th>
<th>Description</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Policy Year</td>
<td>April 1</td>
</tr>
<tr>
<td>3A</td>
<td>Policy Year – Assigned Risk Business</td>
<td>April 1</td>
</tr>
<tr>
<td>5</td>
<td>Accident Year</td>
<td>April 1</td>
</tr>
<tr>
<td>5A</td>
<td>Accident Year – Assigned Risk Business</td>
<td>April 1</td>
</tr>
<tr>
<td>8</td>
<td>Reconciliation Report</td>
<td>April 1</td>
</tr>
<tr>
<td>19</td>
<td>Countrywide Loss Adjustment Expense</td>
<td>May 1</td>
</tr>
<tr>
<td>31</td>
<td>Large Loss and Catastrophe</td>
<td>April 1</td>
</tr>
</tbody>
</table>
General Instructions

Obtaining a Username and Password

Designate a contact person by completing a MIFDRA Contact Person form at https://caom.com/Forms/MIFDRA-Contact. The completed form should clearly articulate the carrier group along with the carrier companies being addressed by the designated contact.

The designated contact person is the company representative responsible for coordinating the timely and accurate submission of financial data. They may grant access to other company staff for completing the data submittal but are the primary contact for addressing questions or data criticisms associated with the financial call submittal. All of the financial call information associated with the carrier group identified on the ‘designated contact form’ will be available to any company representative granted access to MIFDRA.

Previously assigned User Names and Passwords are still effective in MIFDRA 2.0. The designated contact person for a new carrier will be assigned their User Name on the Home Page but will receive their password electronically via email. To receive a password click on “Forgot Password”, enter your User Name in the window that appears, hit submit, and a password will be sent to the email associated with the User Name.

MIFDRA access issues or questions regarding the financial calls may be directed to the following e-mail: fcalls@caom.com.

MIFDRA Web Application

All calls must be submitted using the MIFDRA. The MIFDRA is an on-line reporting application that allows carriers to enter, edit, and submit financial calls to CAOM. Data reporters are encouraged to read the entire User’s Guide and Reporting Instructions before using the MIFDRA. Data reporters may access the User’s Guide and Reporting Instructions through the MIFDRA link on our website, www.caom.com or within the application: (download) link on the top right of any page on the MIFDRA.

The MIFDRA is designed to: 1) increase the timeliness and quality of the data submissions by providing immediate feedback of failed edits, 2) provide a central location for data submissions, and 3) eliminate paper submittals of call data.

The NCCI carrier or group code as well as the carrier or group name must be predominantly displayed on all transmissions, associated emails, or other correspondence regarding these calls.
General Instructions

System Requirements
Carriers must have Internet access to use the MIFDRA.

a) Browser Requirements – As of January 12, 2016, Explorer 11 is the oldest browser version Microsoft supports. For this reason, CAOM requires the use of Explorer 11 or greater. Please note, users may experience faster response times when using a current version of an alternative browser such as, Firefox, Google Chrome, or Opera.

b) Platform Requirements – Windows 7 or higher. MIFDRA contains optional functions for importing and exporting data that are compatible with Excel 2003 or higher. If users do not have access to Excel, they must enter the calls directly into the MIFDRA and will not be able to save and analyze the data on their hard drive or network.

Logging In
To login, enter your designated User Name and Password into the appropriate fields.

CAOM Contact
All questions and requests for additional information on these calls should be directed to fcalls@caom.com. A bureau representative will respond directly to the carrier contact submitting the question or request for additional information.

Data Provider Contact
All carriers are required to complete a ‘Designated Contact Person Form’ identifying the primary contact for their financial call submittal. The primary contact is not required to enter all of the call information but rather be responsible for the carrier’s compliance with the annual financial call submittal. Carriers are responsible to ensure the designated contact is current and accurate.
General Reporting Instructions

Definitions

Reporting Entity
The aggregate financial data may be reported on a group basis. The data for companies controlling, controlled by or under common control with other companies may be added together and reported.

Aggregate Totals
All of the premium and paid loss experience for the policy (calls 3 and 3A) and accident (calls 5 and 5A) year calls are accumulated aggregate totals. In the case of premium amounts, it is the summation of all premium collected and any subsequent adjustments to premium since the inception of each policy. In the case of paid losses, it is the summation of all loss payments and recoveries since the first report of the claims.

Calendar Year Totals
Some of the calls require calendar year totals. Calendar year totals are the sum of changes in accounting balances for a particular year. The policy year aggregate calls calculate the calendar year totals by subtracting the like aggregate totals from the prior policy year call totals.

Prior Totals
Aggregate totals shown on the prior year (Line Y) of the current call must match exactly Line X of the corresponding call filed last year. If the Line X totals from the corresponding prior year call have changed, users must resubmit the prior year’s call using MIFDRA.

Experience Period
Policy year calls require thirty plus current years of reporting. Years before the current plus thirty are combined and reported on the first line (Line A). The current year is the year that ended with the valuation date. The thirty years are the thirty years that preceded the current year. For example, with the data calls valued as of 12/31/2018, the current year is 2018. The thirty years are 1988 through 2017. Policy years prior to 1988 are added together and reported on the first line (Prior to 1988). Accident year calls require twenty-nine plus current years of reporting. Prior accident years are aggregated together and reported on the first line (Prior to 1989 for the example at hand).

Included Experience
These calls require the reporting of direct business only. Do not report reinsurance assumed or make adjustments for business that has been reinsured.
General Reporting Instructions

Financial Call Types

Primary Ratemaking Calls
The Primary Ratemaking Calls include: Call #3, #3A, #5, #5A, #8, #31. These calls are used either to determine the overall rate level in generating the bureau’s voluntary loss costs and assigned risk rates. The premium, loss and claim count data are aggregated on both a Policy Year and a Calendar/Accident Year basis. Each call contains multiple years of data valued as December 31st of the most recent completed calendar year. The annual financial call submittal requirement ensures a continuous history of policy and calendar/accident year experience.

Policy Year Calls
The Policy Year Calls are calls #3 and 3A.

a) A policy year is composed of premiums and losses for all policies with effective dates in that year. For example, for policies with effective dates from January 1 to December 31, 2018, all premiums associated with these policies and all claims for accidents that occur for these policies must be reported under Policy Year 2018, regardless of the year the injury occurred or the year it was reported to the carrier.

b) The Financial Calls on a policy year basis provide a stable match of premium and losses and, therefore, are widely used for testing rate adequacy and for ratemaking

Calendar/Accident Year Calls
The Calendar/Accident Year Calls are calls #5 and 5A.

a) Calendar/Accident Year treats premium and loss differently. Premium is aggregated on a calendar year basis, i.e. premium earned in a given calendar year period. Losses are aggregated on an accident year basis which means each claim is assigned to the year the accident occurs and all subsequent loss and claim expense payments are tied back to that year.

b) Calendar/Accident Year experience is more responsive and often used in trending and generating alternative aggregate indications.

Since a Policy Year is composed of premiums and losses for all policies with effective dates in that year it takes two calendar years for all of the premium to be earned and losses to be incurred. Because of this, the most recent policy year experience is approximately 50% of the most recent Calendar/Accident year experience. This is a key distinction all data reporters should be aware of in preparing their financial call information.
General Reporting Instructions

Other Primary Ratemaking Calls
Two other primary ratemaking calls include call #8 and #31.

a) Reconciliation Report (call #8) – Used to reconcile calendar year premium, losses, and expenses by state from the Calendar-Accident Year Call to the Exhibit of Premiums and Losses (Statutory Page 14) found in the carrier’s National Association of Insurance Commissioners (NAIC) Annual Statement.

b) Large Loss and Catastrophe Call (call #31) – Isolates large claims which provides additional insight to the ratemaking process. The overall objective in collecting this data is to enhance the long-term adequacy of the voluntary loss costs and assigned risk rates estimated by CAOM, while recognizing the need for rate stability.

Supplemental Ratemaking Calls
The only Supplemental Ratemaking Call required by CAOM is call #19.

c) Loss Adjustment Expense Call (call #19) – Supports ratemaking, market analysis, research, and expense information.
Financial Call Components

Premiums Reported

Premiums Reported (can be categorized in several ways): Policy Year, Calendar Year, Written or Earned. The Financial Calls include three different premium fields: Net Earned Premium, Standard Earned Premium at Company Level, and Standard Earned Premium at the Designated Reporting Level.

a) **Net Earned Premium** – Premium earned by the carrier after all adjustments (including debits, credits, surcharges, assessments, and discounts) have been applied. Net premium should reconcile to the premium reported by the carrier in their National Association of Insurance Commissioners (NAIC) Annual Statement (Statutory Page 14, Exhibit of Premiums and Losses) with appropriate adjustments, as described in Financial Call #8—Reconciliation Report. It should be noted that policyholder dividends are not a reconciliation item when reconciling financial call data to data reported to the NAIC.

b) **Standard Earned Premium at Company Level** – Premium calculated at company rates, including any individual risk experience modification, but prior to the application of any other risk specific adjustments such as premium discounts, schedule rating, independent carrier filings (credit or debit), and retrospective rating adjustments. For comparative reasons, Standard Earned Premium at Company Level is Net Earned Premium with the specific risk adjustments removed.

c) **Standard Earned Premium at Designated Statistical Reporting (DSR) Level** – DSR Level premium is the premium that would be developed if the carrier’s business were written at the CAOM’s class pure premium instead of at the company’s own selected rate level. Like Standard Earned Premium at Company Level, it should not include any risk specific adjustments such as, premium discounts, schedule rating, independent carrier filings (credit or debit), and retrospective rating adjustments. The carrier LCM, along with the expense constant premium and balance to minimum premium amounts, must be removed from the Standard Premium at Company Level in the calculation of DSR Level Premium.
General Reporting Instructions

Losses Reported

Losses reported on the Financial Call must be attributable to a policy with Michigan exposure, i.e. policy premium has been assigned to Michigan. Do not report losses based solely on the state of injury or state of benefit. Similarly, do not report losses for claims with accident dates outside of the policy period that are required to be paid due to an official ruling, and where there is no corresponding exposure.

Losses are reported on an accumulated basis from the issue date of the policy (policy year) or the date of accident (accident year) through December 31 of the most recent year with the exception of Line Z on calls #3, 3A, 5 and 5A where they are reported as a calendar year change.

Other rules affecting reported losses include:

a) For Employers Liability (Part II) coverage, include Defense and Cost Containment Expenses (DCCE) with the losses reported on the Calls.

b) Report Extraordinary Loss Event (ELE) claims in the appropriate Calls where applicable for a given catastrophe number (#3, #3A, #5, #5A, #8, #19, and #31).

c) For non-compensable or fraudulent claims, report loss amounts that are reflective of the losses in the insurers’ systems.

d) An accident for one claimant with reportable losses under both workers compensation and employers’ liability is reported as one claim, with combined loss experience.

Indemnity and Medical Losses

Indemnity Claim – An indemnity claim is one that has either paid or expected indemnity losses. An indemnity claim most often also has medical losses associated with the claim. Vocational rehabilitation costs, including evaluation and testing, incurred due to the purchase of vocational rehabilitation services from outside vendors should be reported as part of indemnity losses.

Medical Only Claim – A claim that, by definition, has medical losses only. The injured worker is not eligible for wage replacement, either because the worker returns directly to work after the injury or is not out of work for more than the specified waiting period. A medical-only claim never has indemnity losses. Report Case Management expenses incurred in the monitoring of care and treatment of an injured worker in the interest of achieving maximum medical recovery with the medical losses reported on the Calls.
General Reporting Instructions

Loss Categories

*Paid Losses* – Paid Losses represents the actual amount paid by the insurance company. However there are three special situations: deductible policies, subrogation, and independent medical examinations which affect paid losses.

a) **Deductible Policies** – For small deductible policies all losses, including paid losses, should be reported by the insurance company gross of (i.e., “before the recovery of”) losses ultimately paid by the insured. Refer to ‘Other Experience Adjustments’ for specific call instructions for reporting large deductible policies.

b) **Subrogation** – Paid losses must be reduced by any losses recovered (actual, not anticipated) through subrogation or other recoveries, e.g., recoveries from a Second Injury Fund. While paid losses to date for an individual claim can be negative, under no circumstances should the claim’s case incurred (paid + case) losses be negative. Furthermore, if the resulting aggregate paid amount for all claims is negative for any observation year, adjust as follows:
   - Reduce the case outstanding amount for the observation year in question by the amount of negative paid; and
   - Set the paid amount associated with the observation year equal to zero.

Please note, subrogation and other recoveries should not be applied to Defense and Cost Containment Expense (DCCE).

c) **Independent Medical Examination (IME)** – If an IME is required by an Industrial Board or Commission, it should be reported as a medical loss. If an IME is not required by an Industrial Board or Commission, it should be reported as a Defense and Cost Containment Expense (DCCE).

*Case Reserves* – Case reserves are amounts set aside for future expected payments on a specific claim (or case). Case reserves represent the carrier’s claim adjuster’s best estimate of what the future payments on the claim will be. Case reserves can be offset by anticipated subrogation but the amount of the offset should never be more than the case incurred losses. Case reserves may include or exclude statutorily allowable discounting, as long as the approach is consistent from year to year. If there is a change, CAOM must be notified, and up to five prior Call valuations may need to be resubmitted on a consistent basis.

*Indemnity Claim Count Data*

Claim counts reported on Financial Calls are necessary to determine claim frequency and severity, and to estimate claim count development, which are used in trend factor analysis. Financial data claim counts include only indemnity claims, i.e., claims that require payments for lost wages due to injury. For
General Reporting Instructions

accidents involving multiple claims, report Claim Count as the total number of claims, rather than as a single incident.

Incurred indemnity claim count is the accumulated number of claims for which an indemnity payment has been made and/or an outstanding indemnity loss reserve exists.

The incurred indemnity claim count excludes those claims that started out with an indemnity reserve but were subsequently resolved as medical-only claims, Defense and Cost Containment Expense-only claims, or claims closed without payment. If, in a previous Call valuation, claims were originally thought to include indemnity losses, but, at a subsequent Call valuation, do not include indemnity benefits, the indemnity claim count should be reduced for these claims only in the subsequent Call valuation. Corrections to prior valuations are not required.

The incurred indemnity claim count includes claims that started out as medical-only but were resolved as indemnity claims at future valuations. If a medical-only claim develops indemnity, the incurred indemnity claim count should be increased in the Call valuation year where the indemnity losses were first determined to exist.

If indemnity claims that closed with payment are reopened, they should not be added again to the incurred indemnity claim count.

If claims closed without payment are reopened as indemnity claims, they should be added to the incurred indemnity claim count.

The status of a claim can be either “Open” or “Closed.” Specifically, claim counts are reported for closed claims and open claims, as well as total (incurred) claims.

*Closed (Paid) Indemnity Claim Count* – This count includes those indemnity claims that are paid in full with no existing outstanding loss (of either indemnity or medical) or Defense and Cost Containment Expense (DCCE) claim reserves.

Indemnity claims that were closed at the previous valuation, but later were reopened and remain open as of this valuation date, should be removed from this column.

Claims that started out as medical-only claims but were resolved as indemnity claims at a future valuation should be added to this column.

Claims that started out as indemnity claims but were resolved as medical-only claims or claims closed without payment should be removed from this column.
General Reporting Instructions

_Open (Outstanding) Indemnity Claim Count_ – This count includes those indemnity claims for which outstanding case (either indemnity or medical) or Defense and Cost Containment Expense (DCCE) reserves exist at year-end, regardless of whether or not any payments have been made on those claims.

Indemnity claims that were closed at the previous valuation but were reopened and remain open as of this valuation date should be added to this column.

Separate reporting of open and closed claims is required for Policy Years 1993 and subsequent. All other policy years are considered optional; if you are in a position to report the optional open and/or closed indemnity claim counts, please do so.

_Loss Adjustment Expenses (LAE)_

Loss Adjustment Expenses are expenses associated with the recording, adjustment, and settlement of claims. Loss Adjustment Expense is divided into two types of expenses: (1) Defense and Cost Containment Expense (DCCE) and (2) Adjusting and Other Expenses.

_Defense and Cost Containment Expenses (DCCE)_ – Litigation expenses and/or cost containment expenses incurred by the insurer. This includes surveillance expenses, fixed amounts for cost containment expenses, case management expenses, and litigation management expenses. Expenses incurred in determining coverage are excluded. DCCE associated with Employers Liability coverage should be included with the losses and not with DCCE.

_Adjusting and Other Expenses_ – Expenses that have been assigned to the Loss Adjusting Expense group in the Underwriting and Investment Exhibit (Part 3—Expenses) of the NAIC Annual Statement, and they are other than those listed in Defense and Cost Containment Expense.

Examples of Adjusting and Other Expenses include:
- Fees of adjusters and settling agents (but not if engaged in a contentious defense);
- Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by calendar year; and
- Attorney fees incurred in the determination of coverage, including litigation between the insurer and the policyholder.
General Reporting Instructions

Other Experience Adjustments

Included Experience

**Aircraft Seat Surcharge** – Include in calls #3, 3A, 5, 5A, and 8.

**Assessments** – Include the combined loss and assessment total as indemnity losses when the compensation law states both of the following:

- A specified amount paid into special funds in connection with a certain type of injury, (e.g., a Second Injury Fund assessment based on no-dependency death cases).
- When these amounts are in addition to the compensation payable to the injured worker or his/her dependents.

**Assigned Risk** – Include assigned risk policy experience written on a direct basis, regardless of whether it was written as a servicing carrier or direct assignment carrier.

- Report assigned risk standard premium at the level of approved assigned risk rates for Designated Statistical Reporting (DSR) Level Premium.
- Include the impact on assigned risk standard premium of other assigned risk programs, such as Assigned Risk Adjustment Program (ARAP) premium, surcharges, etc.

**Atomic Energy** – Include atomic energy radiation exposure that is not performed for, or under the direction of, the Nuclear Regulatory Commission or any government agency. Premium and Losses for this atomic energy experience is reportable.

**Balance to Minimum Premium** – Include the Balance to Minimum Premium Adjustment associated with classification codes, Admiralty and/or FELA (only for years prior to January 1, 2003, where maritime and other FELA experience is included in the Financial Calls), and Employers Liability Increased Limits coverage when reporting Net and Standard at Company Level premium in calls #3, 5 and 8.

**Catastrophe and Terrorism Premium** – Include any catastrophe or terrorism premium only in the reconciliation call (#8).

**Large Deductible Policies** – Large deductibles are defined as deductibles of $100,000 or more, whether the deductible is per claim, per accident, or on an aggregate basis, and whether pertaining to a Large Deductible policy or a Retrospectively Rated policy that contains a large deductible.

All experience (premiums, losses, and expenses) for Large Deductible policies should be reported on a gross basis (prior to the application of deductible credits or reimbursements), with the exception of Net premium and Call #8, which is
General Reporting Instructions

reported on a net basis (after the application of deductible credits or reimbursements). Large deductible policy experience is excluded from calls #3, 3A, 5 and 5A so the above information only applies to calls #8, 19 and 31.

Small Deductible Policies – All experience (premiums, losses, and expenses) for deductible policies (other than large deductibles) should be reported on a gross basis (before the application of deductible credits or reimbursements), with the exception of Net premium and Call #19, which are reported on a net basis (after the application of deductible credits or reimbursements).

Domestic Workers – Include Domestic Worker Experience (premiums, losses, and expenses) written under workers’ compensation and employers liability policies in all Calls. Domestic Workers provided workers’ compensation insurance on an ‘Other Liability’ or ‘Homeowners’ policy is excluded.

Earned but Unbilled Premium (EBUB) – Include on calls #3, 3A, 5, 5A and 8 if it can be properly allocated to policy year.

Employers’ Liability Coverage - Include the additional premium for increased loss limits on employers’ liability coverage, whether on an accident, employee, or policy basis as part of DSR Level, Company Standard, and Net premium on calls #3, 3A, 5, 5A, and 8. Note that the amount reported in the DSR Level Premium should reflect the appropriate loss cost/rate level.

Defense and Cost Containment Expenses (DCCE) associated with this coverage should be included with the losses reported on calls #3, 3A, 5, 5A, 8 and 31. These expenses are not included in the losses reported on your company’s NAIC Annual Statement and therefore, these amounts should be reported in the “Reason for Difference” section of Call #8.

Excess Policies – If Excess Policies are included in Statutory Page 14, Line 16, of the carrier’s National Association of Insurance Commissioners (NAIC) Annual Statement, then they should be reported in Call #8 (as a reconciliation item) and call #19. Experience from these policies is excluded from all other calls.

F-Classes – Federal (F)-classification experience is included in Call #8 (as a reconciliation item) and call #19. Experience for non-F-classification/industrial classification codes to which the USL&HW factor has been applied should be included in all Financial Calls.

Foreign Voluntary Compensation – Premium and Loss experience for Foreign Voluntary Compensation and Optional Repatriation coverage are included in all calls.
**General Reporting Instructions**

*Maritime and FELA Classes* – Included in Call #8 (as a reconciliation item) and call #19. Beginning in 2003, these classes were excluded from all other calls. Prior to 2003, it was included on all calls (call #3, 3A, 5, 5A, 8, 19 and 31).

*Multi-year Policies* – May be reported either as one policy with a single policy effective date or as separate policies with individual effective dates for each of the annual periods. Experience is included on all calls (call #3, 3A, 5, 5A, 8, 19 and 31).

**Excluded Experience**

*Assessments* – Exclude any assessments on losses based on total premium writings, on total losses paid or incurred, or on total indemnity losses paid or incurred (e.g., Second Injury Fund assessments based on total paid losses).

*Atomic Energy* – Exclude atomic energy project work performed for, or under the direction of, the Nuclear Regulatory Commission or any government agency. This atomic energy experience is not reportable.

*Balance to Minimum Premium* – Exclude the Balance to Minimum Premium Adjustment associated with classification codes, Admiralty and/or FELA (only for years prior to January 1, 2003, where maritime and other FELA experience is included in the Financial Calls), and Employers Liability Increased Limits coverage when reporting DSR Level premium in calls #3, 5 and 8.

*Large Deductible Policies* – Large deductible policy experience is excluded from calls #3, 3A, 5 and 5A.

*Domestic Workers* – Workers’ compensation coverage provided on an ‘Other Liability’ or ‘Homeowners’ policy is excluded.

*Earned but Unbilled Premium (EBUB)* – Exclude EBUB premium if it cannot be properly allocated to policy year and note on the reconciliation call (call #8).
Specific Call Reporting Instructions

Specific Call Reporting Instructions
Policy Year Call #3- Due Date April 1

This Policy Year Call includes voluntary and assigned risk premium, losses, claim counts, and expenses, grouped by policy effective year. For example, for policies with effective dates from January 1 to December 31, 2018, all premiums associated with those policies and all claims that develop for those policies must be reported under the effective year (2018), regardless of the year the premium was earned or the claim was incurred.

The Financial Call should only include experience for policies with Michigan exposure. Refer to the General Reporting Instructions regarding experience that should be included/excluded from this call.

Premium Fields:

- **Policy Year (PY) DSR Earned Premium (Column a)** – Standard Earned Premium at the Designated Statistical Reporting (DSR) Level for each of the indicated policy years. This is the standard premium that would be earned using the appropriate CAOM class pure premiums (voluntary business) or the approved assigned risk rates (assigned risk business) without the application of company loss cost multipliers or rate deviations.

  These are the premiums that the carrier accrues and is entitled to as of the valuation date for providing coverage for any of the specific policy years. It includes both assigned risk and voluntary business.

- **PY Earned Premium Standard at Company Level (Column b)** – Standard earned premium using the company’s filed rates and rate deviations.

- **PY Net Earned Premium (Column c)** – This is the actual net earned premium on all risks prior to the payment of policyholder dividends. Retrospective Premium adjustments and Loss Sensitive Rating Plan adjustments are included, but should be assigned to the original year in which the policy was written, not to the year which the adjustment was made.

Loss and Expense Fields:

- **PY Accumulated Paid Indemnity Losses (Column i)**

- **PY Accumulated Paid Medical Losses (Column j)** – Includes all paid medical losses, for claims with medical-only losses and claims with medical losses and indemnity losses.

- **PY Outstanding Indemnity Case Reserves (Column o)** – Excludes Incurred but Not Reported (IBNR) losses.
Specific Call Reporting Instructions

- **PY Bulk Indemnity Loss Reserves (Column p)** – Bulk indemnity reserves rather than individual claim case reserves (exclude any IBNR).
- **PY Outstanding Medical Case Reserves (Column q)** – Excludes Incurred but Not Reported (IBNR) losses.
- **PY Bulk Medical Loss Reserves (Column r)** – Bulk medical reserves rather than individual claim case reserves (exclude any IBNR).
- **PY Incurred Indemnity Closed Claim Count (Column s)** – Closed indemnity claims are indemnity claims that are paid in full with no existing outstanding loss reserves or Defense and Cost Containment Expense (DCCE) reserves.
- **PY Indemnity Open Claim Count (Column t)** – Open indemnity claims are indemnity claims for which outstanding loss reserves or Defense and Cost Containment Expense (DCCE) reserves exist, regardless of whether any payments have been made on the claim.
- **PY Accumulated Paid Indemnity Losses on Closed Claims (Column u)**
- **PY Accumulated Paid Medical Losses on Closed Claims (Column v)**
- **PY Paid DCCE (Column w)** – The reporting of expenses should be consistent with reporting of paid losses and loss reserves.
- **PY Outstanding DCCE Reserves (Column x)** – The reporting of expenses should be consistent with reporting of paid losses and reserves.

Calculated Fields

The following are fields calculated within MIFDRA using prior data entry.

- **PY Total Paid Loss (Column d)** – Sum of columns (i) + (j).
- **PY Total Outstanding Loss (Column e)** – Sum of columns (k) + (l).
- **PY Total Incurred Loss (Column g)** – Sum of columns (d) + (e).
- **PY Total Incurred Indemnity Claim Count (Column h)** – Sum of columns (s) + (t).
- **PY Total Indemnity Loss Reserves (Column k)** – Sum of columns (o) + (p).
- **PY Total Medical Loss Reserves (Column l)** – Sum of columns (q) + (r).
- **PY Total Incurred DCCE (Column z)** – Sum of columns (w) + (x).

Total Lines:

- **Line X** – The sum of all policy years including the ‘PRIOR TO’ line. This line is calculated and cannot be altered. Line X should equal the Sum of Line A through current year.
- **Line Y** – This line reports the total of Line X from the previous valuation. If it is a New Call, the MIFDRA will automatically populate the current call’s Line Y.
- **Line Z** – Line Z is calculated calendar year experience and is the difference between Line X and Line Y (Line X - Line Y).
Specific Call Reporting Instructions

Obsolete Fields

The following IBNR fields are no longer required.

- Policy Year Total IBNR (Column f)
- Policy Year Indemnity IBNR (Column m)
- Policy Year Medical IBNR (Column n)
- Bulk plus IBNR DCC Expense (Column y)

Assigned Risk Policy Year Call #3A- Due Date April 1

This policy year financial call is identical to call #3 except that the data is limited to assigned risk business only. All of the rows and columns are the same as previously documented under call #3. However, column (b) – Standard Earned Premium at Company Level is not required as it is identical to column (a). Call #3 includes all direct business which, represents voluntary and assigned risk business written by the member carrier. Call #3A is limited to assigned risk business. Carriers who have never participated as a servicing carrier would have no assigned risk experience to report.

Calendar-Accident Year Call #5- Due Date April 1

The Calendar-Accident Year Call #5 requires the data elements (columns) as the Policy Year Call #3. Call #5 captures both voluntary and assigned risk business but is organized on a calendar year / accident year basis rather than on a policy year basis.

The most recent five calendar years of premium are required. By definition, calendar year premium is fixed after the accounting period has closed. In some instances a carrier will revise their financials affecting prior calendar year totals. If this occurs, the carrier must resubmit prior call submittals to correct the calendar year history. Edits will trigger if premium for prior calendar years changes.

Medical and indemnity losses, indemnity claim counts and Defense and Cost Containment Expenses are tracked on an accident year basis. That is each claim and its associated costs are tied to the accident year in which the claim occurred. As an example, a workers’ compensation injury that occurs on July 16, 2019 would have all loss and expense associated with the claim coded to accident year 2019.

Calendar-Accident Year Call #5A- Assigned Risk: Due Date April 1

This calendar-accident year financial call is identical to call #5 except that the data is limited to assigned risk business only. All of the columns are the same as previously documented under call #3 and 3A. Call #5 includes all direct business which, represents voluntary and assigned risk business written by the member carrier. Call #5A is limited to assigned risk business. Carriers who have never participated as a servicing carrier would have no assigned risk experience to report.
Reconciliation Report Call #8- Due Date: April 1

Call #8 Reconciliation Report guarantees the completeness of the Calendar-Accident Year Call #5 by comparing the reported direct earned premium, paid loss, and paid DCCE against the corresponding figures found in the Statutory Page 14 from the carrier’s filed annual statement. The carrier must submit an explanation for each substantive difference between Call #5 and the Statutory Page 14.

Line 1 – Call 5 Calendar year Experience – Prepopulated with calendar year data from Call #5. Net Earned Premium (Column c) is obtained from the most recent calendar year in the report. Columns (d) and (w) from Line Z provides the calendar year Total Paid Loss and Total Paid DCCE.

Excluded Data – Certain data are excluded from the financial call but included in the annual statement. Any direct earned premium, paid loss or paid DCCE associated with the following experience categories that was excluded from the financial call but included on the annual statement should be listed under the appropriate line item. This includes large deductible experience which was excluded in its entirety on the financial call.

Line 2: F-Classification;
Line 3: Maritime and Other FELA Classifications;
Line 4: Underground Coal Mine;
Line 5: National Defense Projects;
Line 6: Large Deductible Policies on Net Basis – Defined as policies with deductibles of $100,000 or more;
Line 7: Small Deductible Policies – Report for losses and expenses only the difference in gross amount reported in the financial call and the net amount recorded on the annual statement;
Line 8: Excess Policy Services – Report any premium, paid loss or paid DCCE for excess workers’ compensation policies included on line 16 of the NAIC Statutory Page 14;
Line 9: Loss Assessment Excluded from Losses Reported – Report any loss assessment included with losses on your company’s NAIC Annual Statement, but excluded from losses on Call #5;
Line 10: Catastrophe Provision Premium – Report any TRIA or other catastrophe premium included in the annual statement but excluded from call 5;

Reconciliation

Line 11: Subtotal of Lines 1 through 10 – Line 11 = (1) + (2) + (3) + (4) + (5) + (6) - (7) + (8) + (9) + (10);
Line 12: Exhibit of Premiums and Losses – User entry from Statutory Page 14; and
Line 13: Difference – Line 13 = (11) – (12), Explanation must be provided for differences that exceed the acceptable threshold.
Countrywide Loss Adjustment Expense Call #19- Due Date: May 1

This call collects countrywide accumulated accident year loss and loss adjustment expense (LAE) information on a direct basis for the purpose of calculating the loss adjustment expense provision used in CAOM’s ratemaking. This call is mandatory for all carriers required to file Call #5 or the Insurance Expense Exhibit (IEE) from their company’s NAIC annual statement.

Call #19 is similar to Schedule P, Part 1D of the Annual Statement except that Call #19 should be on direct basis and the ‘Prior To’ line should be reported on an accumulated basis for every column.

Countrywide Loss and Loss Adjustment Expense (LAE) experience is required separately for the most recent ten accident years. All earlier accident years should be reported on the ‘Prior To’ line (Line A). Unlike the primary ratemaking Financial Calls (Calls #3, 3A, 5, 5A, 8 and 31) the data should include all experience types, such as Federal (f)-classifications, Large Deductible policies, Maritime, FELA, etc. All deductible experience should be reported on a net basis.

User is required to also answer question on the Questionnaire even if the carrier does not offer large deductibles.

Loss and Expense Fields:

- *AY Accumulated Total Paid Loss (Column a)* – Countrywide workers’ compensation paid loss on an accident year basis.
- *AY Accumulated Total Unpaid Losses (Column b)* – Countrywide workers’ compensation outstanding case and IBNR reserves.
- *AY Accumulated Total Paid DCC Expense (Column c)* – Countrywide workers’ compensation paid defense and cost containment expenses.
- *AY Accumulated Total Unpaid DCC Expense (Column d)* – Countrywide workers’ compensation outstanding DCC expense case and IBNR reserves.
- *AY Accumulated Total Paid AOE (Column e)* – Countrywide workers’ compensation paid Adjusting and Other Expenses (AOE).
- *AY Accumulated Total Unpaid AOE (Column f)* – Countrywide workers’ compensation outstanding AOE case and IBNR reserves.
- *AY Total Large Deductible Net Paid Loss (Column i)* – Countrywide workers’ compensation large deductible net paid loss on an accident year basis.
- *AY Total Large Deductible Unpaid Losses (Column j)* – Countrywide workers’ compensation large deductible net outstanding case and IBNR reserves.
- *AY Total Large Deductible Net Paid DCC Expense (Column k)* – Countrywide workers’ compensation large deductible net paid DCC expenses.
- *AY Accumulated Total Unpaid DCC Expense (Column l)* – Countrywide WC large deductible net outstanding DCCE case and IBNR reserves.
Specific Call Reporting Instructions

Calculated Fields

The following are fields calculated within MIFDRA using prior data entry.

- *AY Total Paid DCC and AOE (Column g)* – Sum of columns (c) + (e).
- *AY Total Outstanding DCC and AOE (Column h)* – Sum of columns (d) + (f).

Total Lines:

- *Line X* – The sum of all accident years including the ‘PRIOR TO’ line. This line is calculated and cannot be altered. Line X should equal the Sum of Line A through current year.
- *Line Y* – This line reports the total of Line X from the previous valuation. If it is a New Call, the MIFDRA will automatically populate the current call’s Line Y.
- *Line Z* – Line Z is the calculated calendar year experience and is the difference between Line X and Line Y (Line X- Line Y).
Specific Call Reporting Instructions

Large Loss and Catastrophe Call #31 – Due Date: April 1

Call #31 – Large Loss and Catastrophe Call includes all large loss claims where total case incurred loss exceeds $500,000 or greater. Claims are reevaluated each call year and if their total incurred loss amount drops below the large loss threshold, they are removed from the report. All large loss claims for accident years 1984 and subsequent are required to be reported.

Extraordinary loss event claims are assigned unique catastrophe numbers, and must be reported on this call whether they meet the large loss threshold or not. There are two catastrophe codes applicable to Michigan.

Catastrophe Number 48 – For the events of September 11, 2001, to include attacks on the World Trade Center, the Pentagon, and in Pennsylvania. Included claims are those attributable to the attacks of these events with accident dates of September 11 through September 14, 2001.

Catastrophe Number 87 – For the rescue, recovery, and clean-up efforts related to September 11, 2001, at the World Trade Center site. Included claims are those attributable to the efforts that were undertaken between September 11, 2001, and September 12, 2002.

Column Instructions

- **Claim Number (Column 1)** – Report the claim number assigned to the claim.
- **Policy Number (Column 2)** – Report the policy number associated with the claim. Policy numbers must be reported consistently from one valuation to the next.
- **Catastrophe Number (Column 3)** – Report the Catastrophe Number, if applicable. Catastrophe claims are reported regardless of claim size.
- **Exposure State Code (Column 4)** – Report only for Michigan, state code 21.
- **Market Type Code (Column 5)** – Report the Market Type code associated with the claim.
  - 0 – Assigned Risk (other than large deductible);
  - 2 – Large Deductible; or
  - 3 – Voluntary (other than large deductible).
- **Policy Effective Date (Column 6)** – Policy effective date in mm/dd/yyyy format
- **Accident Date (Column 7)** – Date the large loss or catastrophe occurred.
- **Claim Status Code (Column 8)**
  - 0 – Open; or
  - 1 – Closed.
Specific Call Reporting Instructions

Loss and Expense Fields

All paid losses should be reported net of (after the application of) subrogation, while gross of (before the application of) deductible reimbursements.

- **Accumulated Paid Indemnity Losses (Column 9)** – Report the accumulated indemnity paid loss through the current December 31 valuations.
- **Accumulated Paid Medical Losses (Column 10)** – Report the accumulated medical paid loss through the current December 31 valuations.
- **Indemnity Case Outstanding Loss (Column 11)** – Report the indemnity case reserves associated with the claim as of December 31 of the most recent year.
- **Medical Case Outstanding Loss (Column 12)** – Report the medical case reserves associated with the claim as of December 31 of the most recent year.
- **Accumulated Paid Defense and Cost Containment Expense (Column 13)** – Report the accumulated DCCE associated with the claim as of December 31 of most recent year.
- **Case Outstanding Defense and Cost Containment Expense (Column 14)** – Report the case reserve or DCCE associated with the claim as of December 31 of most recent year.
MIFDRA Web Application Menus

Home Page

The Home page displays the carrier group name associated with the login information. The menu at the top of the page provides access to the following features: Announcements, Submissions, Acknowledgement, Criticisms, Manage Carrier Group, User Profile, Help and Log Out.

On the far right, the User has the option to change the Active Year. The application defaults to the current call year, but users can select an earlier Active Year from the drop down menu to view prior financial call submittals. MIFDRA displays the financial data, valued as of December 31, of the designated Active Year. For example: if the Active Year selected is 2018, the displayed financial data will be valued as of December 31, 2018.

Announcements Page

Provides an avenue for the CAOM to distribute key information regarding the MIFDRA to all member carriers.

Acknowledgement Page

User should begin the initial MIFDRA session by selecting the Acknowledgement Page. The Acknowledgement Page identifies the Active Year, Carrier Group and Individual Carriers being addressed with this call followed by a table with the following fields:

- **Call Abbreviation** – Listing of all of the pertinent financial calls for the Carrier Group/Carrier being addressed.
- **Call Title** – Descriptive title of the call in question.
- **Required Check Box** – This field is set by the bureau and indicates whether the designated call is required of the Carrier Group/Carrier. If the user determines a required financial call has been omitted, please e-mail your designated CAOM contact at fcalls@caom.com.
- **Will Submit** – Radio button to indicate whether the user intends to submit financial call data for the designated Carrier/Active year.
- **No Experience to Report** – Radio button to indicate the Carrier Group/Carrier has no experience, or is below the minimum reporting threshold, for the designated financial call and Active Year.

Below the table is an acknowledgment note along with a submittal button. Once the user has selected the appropriate radio button for each call, hit submit to record your selections. This will update the acknowledgment note to the current date and time. *Please note, users may revise their radio button selection for a given call up until financial data has been submitted for that call.*
Submissions Page

The Submissions Page provides a summary status for each required financial data call. The financial call submission table is populated once the user submits an Acknowledgement form. The submission table includes the following fields: Call Name, Due Date, Status, Last Submission, Acknowledgement and Actions.

*Call Name* – Provides a hyperlink for each required financial call for the selected active year. Selecting the hyperlink opens an additional table with the following fields: Submit #, Entered By, Status, Last Updated, Type and Delete.

  a) **Submit #** – MIFDRA allows users to multiple submissions for each financial data call. The Submit # refers to the number of the indicated submission, resubmission, or submission draft. The Submit # is a hyperlink which when selected, brings up the financial data call entry sheet.

  b) **Entered By** – Username of the data reporter who submitted the call data.

  c) **Status** – Defines whether the call submission is a “Draft” (process in work) or has been “Submitted” for evaluation by the bureau.

  d) **Last Updated** – The most recent date and time the call was submitted and/or modified.

  e) **Type** – Identifies whether the call was submitted by the “Carrier” or the “Bureau”.

  f) **Delete** – Provides the user the ability to delete “Draft” calls. Please note, “Submitted” calls cannot be deleted.

*Due Date* – The required submission date for the call in question.

*Status* – Three different options which are: ‘None’, ‘Draft’, or ‘Submitted’.

*Last Submission* – The date of the latest call submission.

*Acknowledgement* – The call status reported on the Acknowledgement Form.

*Actions* – There are four hyperlinks available under the action field.

  a) **New Call** – Opens a ‘New Call’ template for the designated call within MIFDRA;

  b) **Import Call** – Allows user to import data through an external data source for the designated call;

  c) **Criticism** – Redirects the user to the Criticisms Page which is discussed later.

  d) **Get Template** – Downloads a ‘New Call’ template as an Excel spreadsheet for offline data entry. Users may then import the Excel spreadsheet to submit their financial call information.
MIFDRA Web Application Menus

Criticisms Page
This page allows the user to filter and view the criticisms issued by CAOM. This can be done separately for each call or for all calls submitted to date. The user also has the option to download the criticisms report as a PDF or an Excel file. The Criticism table contains the following fields: Carrier Name, Carrier Code, Call Name, Active Year, Submission, Status, Editor and View.

Carrier Name – Carrier name associated with the call submission.
Carrier Code – Carrier code associated with the call submission.
Call Name – The submitted financial call associated with the criticism.
Active Year – The Active Year for the financial call submission in question.
Submission – The financial call submission number associated with the criticism.
Status – Current status of the criticism (Open, Closed, Disregard).
Editor – Name of the user submitting the criticism response.
View – Hyperlink to the submitted criticism response.

Manage Carrier Group Page
The page contains three separate tables with relevant carrier information which allows the user administrator to manage their financial call submittal.

Active Years Table – Displays the active years for the Carrier Group/Carrier identified at the top of the Manage Carrier Group Page. The table contains four fields: Year, Active, Inactive and Reason.
   a) Year – Call year for which carrier financial call experience is provided valued as of December 31st of the designated year.
   b) Active – Radio button indicating whether the carrier was active during the designated call year.
   c) Inactive – Radio button indicating whether the carrier was in active during the designated call year.
   d) Reason – Explanation for why the carrier was inactive in a given call year.

Carrier List – Listing of carriers associated with the Carrier Group. The table contains seven fields: Name, NAIC #, Carrier Code, Date Modified, Active, Status and Reason.
   a) Name – Carrier name.
   b) NAIC # – Carrier NAIC number.
   c) Carrier Code – Carrier code assigned by CAOM.
   d) Date Modified – Date the carrier information was entered.
   e) Active – Radio button indicating the company is active.
   f) Status – Blank, Defunct, Insolvent, Merged, Inactive or Sold.
   g) Reason – Explanation for a carrier that is designated as inactive.
MIFDRA Web Application Menus

Carrier Group Users – Listing of users involved in submitting a carrier’s financial call data. The table contains six fields: Full Name, Name, User Type, Date Modified, Status and Designated Contact.
  a) Full Name – Carrier user’s full name.
  b) Name – Userid hyperlink that brings up the user registration page.
  c) User Type – Identifies whether the user is a Carrier Group User or a Carrier Group Administrator.
  d) Date Modified – Date the user information was entered.
  e) Status – Indicates whether the user is active or inactive.
  f) Designated Contact – Indicates which user is the carrier’s designated contact.

User Profile Page
User registration page for entering/updating user information. Users may update their MIFDRA password on this page.

Help
A link to this Guide is provided on the top right of any page in MIFDRA. In addition, the guide can be downloaded for easier reference. The user should consult the MIFDRA Guide for basic instructions on how to use the application. If the user is unable to find an answer to their question or if any unforeseen trouble occurs with the application, please email the CAOM at fcalls@caom.com for assistance.

Log Out
To log out of the application, go to the Options menu and click the Log Out button. The Application also automatically logs the user out after an hour of inactivity.

Please note, changes that were made but not saved prior to logging out will be lost.
ENTERING CALL DATA INTO THE MIFDRA

ENTERING CALL DATA INTO THE MIFDRA

Group Reporting

Users may choose to report data on an individual company or on a group basis but must report consistently across all financial data calls. If a user believes that the MIFDRA does not account for all carriers within a carrier group or support the user’s desired reporting preference, the user should contact the CAOM immediately.

Users opting to report each carrier within a carrier group separately must submit separate financial calls for each carrier. If the carrier’s grouping method for the current call year is different than the carrier’s grouping method for the previous call year, the carrier must resubmit the previous call year’s financial data under the new grouping method.

When entering data for multiple reporting entities, users should enter and save all of the available financial call information for a given carrier and then log out of the MIFDRA to ensure that the MIFDRA properly captures the carrier data. The user can then log back in, select another carrier from the carrier group and repeat the data entry process.

Call Layout

The electronic page layouts are similar to the electronic versions used in previous years.

Entering Data into the MIFDRA or MIFDRA Templates

The application has certain acceptable values. The MIFDRA accepts only whole numbers, and will reject any decimals or non-numeric entries. Negative values should be entered with a negative sign preceding the numeric value as the application does not accept parentheses to indicate a negative value. Users should input zeros or simply leave blank any field with no experience. Users should not submit a data call if no financial data exists for that call.

For the user’s convenience, some call fields in the MIFDRA and the MIFDRA templates are calculated or are automatically populated by the application. The calculated fields are designated by shaded columns, with their titles appearing in red. Altering a calculated field (shaded column) may result in one or multiple failed edits.

The copy and paste feature is allowed on user entry fields, but a user should not copy and paste into calculated fields as this may result in failed edits. For new or saved calls, fields that the application automatically populates will refresh constantly. Please note, once a call is submitted, the fields are frozen and the user can no longer edit the call.
CREATING A CALL IN THE MIFDRA v2.0

Users are encouraged to enter data into the calls using the Excel template. The template workbooks created by the application consist of two worksheets, ‘Sheet1’ and ‘Version Info’. The ‘Version Info’ sheet contains information that enables the application to import the data correctly, therefore, the user should not tamper with the ‘Version Info’ sheet in any way. ‘Sheet 1’ is the call input template for entering the carrier’s financial data.

There are two methods available to create a Call. The first is to enter financial data directly into the MIFDRA application. The second method is to download an Excel template, enter the financial data into the template and import the template into MIFDRA.

Create a new call by entering data directly into the MIFDRA application

To create a new call by entering data directly into the application, click on ‘New Call’ listed under the ‘Actions’ column on the Submissions page. This brings up a data entry template for the selected call on a new page called the Edit Call Submission page. For calls that contain total Lines X, Y, and Z, Line Y is automatically populated with results from the prior years’ submitted financial call and cannot be edited by the user. If the previous year’s data is incorrect, that year’s calls must be corrected and resubmitted. For Call #8, Line 1 is automatically populated from Call #5 and cannot be edited by the user. If Line 1 is incorrect, Call #5 must be resubmitted.

The user may type data directly into the data fields or the user may copy and paste the data in a single cell from a spreadsheet directly into a MIFDRA data field. Entire columns and tables cannot be copied and pasted into MIFDRA.

After entering data into the data entry template, the user can proceed to running edits.

Create a new call by downloading the Excel Template

Users wishing to enter data offline and import the data into MIFDRA can utilize the Excel Template available for each call. There are three ways to access a call’s Excel template. To download the Excel template for a given call, click on ‘New Call’ listed under the ‘Actions’ column on the Submissions page. This brings up a data entry template for the selected call on a new page called the Edit Call Submission page. There are three hyperlinks immediately above the data entry table.

Back to Call List – Selecting this hyperlink returns the user to main Submissions page.
CREATING A CALL IN THE MIFDRA v2.0

*Export to Excel* – Exports the data entry template into Excel. The user can save this template, enter their financial call data and then import the file into MIFDRA. This is the **preferred approach** for obtaining the Excel data entry template.

*Export to Excel (with header)* – Exports the data entry template into Excel with a header record. This version of the Excel template cannot be imported back into MIFDRA.

In the upper right corner of the ‘Edit Call Submission’ page is an import button to upload a completed Excel Template. Directly to the right of the ‘Import’ button is a ‘Get Template’ hyperlink. This is the second way (Alternative 1) a user may download the Excel call template.

The third way (alternative 2) to download a call’s Excel Template is to return to the main ‘Submissions’ page and select ‘Get Template’ under the actions field in the Submission’s table.

Once the template is saved on the user’s local hard drive or network, the user can log off the MIFDRA and work directly in the Excel file. To import the Excel file back into the MIFDRA application, the user must log in and return to the Edit Call Submission page.

If the call’s Excel template is downloaded using the preferred method, information from the prior year call is automatically populated within the template. For calls #3, 3A, 5 & 5A, Line Y (Total of Prior Year) is filled with the values from Line X of the corresponding prior years’ call most recent submission. Once a draft or submission of call 5 has been completed for the current year, Line 1 of call #8 is populated.

Neither of the alternative methods pre-populate Line Y for calls #3, 3A, 5 or 5A or Line 1 for call #8. For calls #3, 3A, 5 and 5A, the user may enter data for Line Y but it must match Line X from the prior year call submission.

Line 1, call #8 is a protected field which the user cannot edit. If the user intends to use the import option for submitting their financial calls, they must use the preferred method for generating call #8. Otherwise they must enter the financial data directly into the data entry template on the ‘Edit Call Submission’ page.
Navigation in an Excel Template

Users can navigate the data entry template as they would a typical Excel workbook. All standard Excel features and functions are available.

Enter data only in the designated area of Sheet1 of the template. The user should not alter any calculated fields. If any of the calculated fields are altered, the template will not import into MIFDRA. If using the preferred method of downloading the template, do not alter Line Y of the template as well.

Users wishing to paste data from another Excel file into the Excel template should use the ‘Edit, Paste Special, Value’ option. If the general paste function is used, the formatting on the template will be lost and could cause errors during the file import.

Once the data has been entered into the template, save and close the file to a local hard drive or network. The file is now ready for import.

Importing the template into the MIFDRA

Once the file is saved, return to the Import button on the Edit Call Submission page.

If the submission is a draft: Click Submissions → Call Name → Submit# → Import.

If the submission was directly downloaded from the Submissions Page: Click Submissions → Import Call.

Create a call by revising a previously submitted call

Create a call from a previously submitted current year’s call

a) To resubmit a call based on a previously submitted version of the call, open the Submissions page. To expand the page so that a list of draft and submitted calls of that type can be viewed, click on the Call Name column. Then to open a submitted call for revision, click on the Submit# link. Users are encouraged to copy the submission by clicking the Copy Submission button so that users are not overwriting what has already been submitted but rather are creating a draft version of the previously submitted call. Revise data as needed by exporting the call to Excel or enter the data directly into the application.

Users can also create a call from a prior year’s data

b) To resubmit a call based on prior year’s submitted version of the call, go to the Submissions page, and from the Active Year drop-down box → Prior Years → follow procedure above.

Note: Templates are year specific, therefore a prior year’s call cannot be imported directly into the current year.
UPDATING OR MODIFYING A CALL DRAFT OR SUBMISSION

Review or revise a call

To review or revise a draft or a copy of a submitted call, open the Submissions page. Click on a call name in the Call Name column, expanding the page so a list of draft and submitted calls of that type can be viewed. Click on the Submit# link to open the Edit Call Submission page displaying that call. Use the scroll bars to navigate around the call. Data entered into a cell is saved upon exiting the cell. All changes made to an existing call are automatically saved when the user exits the call.

Button and Options on the ‘Edit Call Submission’ page

a) Choose File: Select a saved Excel template to import
b) Import: Import a saved Excel template
c) Get Template: Getting a template
d) Back to Call List: Return to Submissions Page
e) Export to Excel: Save the displayed call as a Excel Template which can be imported into the application
f) Export to Excel (with Header): Save the displayed call as an Excel workbook with header containing carrier and call information. This workbook cannot be imported into the MIFDRA.
g) Run Edits: The user cannot submit a call unless the edits have been run. Edits allow the user to review the quality of the call. By reviewing any edit errors before submitting the calls to CAOM, the carrier can resolve data problems or address data anomalies at the time of submission. Edits can be run as many times as needed on a draft by the user.
h) Copy Submission: Click this button to instruct the application to make a copy of a draft or submitted call. The copy appears in the Edit Call Submission page and is assigned the next consecutive number for that call. This is an actual draft that can be revised, deleted or submitted in the same manner as a call created with a template.
i) Submit: This button is only enabled after the edits have been run. After running the edit, the user may click this button to submit the call to the CAOM. The application displays a warning: “Clicking OK will mark the submission as submitted. Once marked submitted, a submission cannot be deleted. Once submitted, the Submission will be available only in view mode and you cannot edit this submission anymore. Are you sure want to submit this call?” to confirm that the user wants to proceed in the submission process. To continue, click the OK button, otherwise, click Cancel. The Submit button is disabled if the call has fatal data errors or the prerequisites calls have not been submitted. The fatal data errors must be resolved and any prerequisites calls must be submitted before the call can be submitted.
Running the Edits Contained Within the MIFDRA

General Instructions

One of the features of the MIFDRA is that it allows the user to run edits on the calls prior to submitting them. This allows the user to catch and resolve errors, and/or explain any data problems or anomalies that exist in a given submission. Edits can be run on any draft call as many times as necessary. Edits can also be run on any combination of calls.

Many of the edits are dependent on the individual call’s relationship to the other financial calls. Generating all of the possible edit failures for a given call may require other financial calls having been submitted. The table below lists the calls that must be submitted before submitting the dependent call:

<table>
<thead>
<tr>
<th>To submit Call:</th>
<th>First submit Call(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>3: Policy Year</td>
<td>5: Calendar/Accident Year</td>
</tr>
<tr>
<td>8: Reconciliation Report</td>
<td>5: Calendar/Accident Year</td>
</tr>
<tr>
<td>5A: Calendar/Accident Year – Assigned Risk</td>
<td>5: Calendar/Accident Year</td>
</tr>
<tr>
<td>3A: Policy Year – Assigned Risk</td>
<td>3: Policy Year Call &amp; 5A: Calendar/Accident Year – Assigned Risk</td>
</tr>
</tbody>
</table>

A call’s due date is scheduled on or before the due date of the calls which have edits dependent on them. It is highly recommended that the user submits Call #5 Calendar/Accident Year before Call #8 Reconciliation Report since the values in Line 1 of Call #8, are populated by Call #5. If the values of Line 1, Call #8 do not match Call #5, the result will be a fatal error and new Call #8 will be required.

Edit Errors

Edits can be organized by category.

**Basic Edits Exclusive to Current Call** – Tests current call for conditions that can only occur as the result of an error or omission in the data elements within a single call.

**Basic Edits Comparing the Current Year Call to the Prior Year Call** – This test compares common data elements of the current year call against the prior year call.

**Basic Edits Comparing the Current Call to other Current MIFDRA Calls** – This test compares the common elements from current calls to other current calls.

**Actuarial Edits Exclusive to the Current Call** – Assesses the reasonableness of the current call’s data against actuarial data standards.
RUNNING THE EDITS CONTAINED WITHIN THE MIFDRA

Actuarial Edits Comparing the Current Calls to Prior Calls – Evaluates the current and prior year call against established actuarial standards.

Note: All calls may be subject to additional review by CAOM staff. Edits are designed to identify unusual data reporting patterns that requires further investigation, verification or explanation by the carrier.

Edit Warnings: An edit warning suggests the particular data element in question appears outside an expected limit or tolerance. Warnings can be addressed by correcting data entry or providing an explanation for the apparent data discrepancy.

Fatal Edits: A fatal edit indicates the data element in question is outside an acceptable limit or tolerance. All fatal edits must be corrected prior to call submittal. Failure to do so results in the Submit option being disabled, and the following message “Call cannot be submitted due to fatal errors” being displayed.

It is recommended that the user address the errors to the basic edits first, reviewing and correcting call data as necessary. Resolving basic edits may also resolve the actuarial edits. After corrections, re-run the edits. Any remaining errors to the edits should be addressed by reviewing data and making any necessary corrections.

If it is discovered that the prior year’s data is incorrect, the prior year’s call can be resubmitted. Please contact the CAOM via fcalls@caom.com for instructions.

Running the Edits

Run Edits:

a) On the Edit Call Submissions Page, click the Run Edits button at the bottom of the call. The application opens a window and displays a list of drafts and submitted calls that can be used for comparison. The application selects the most recent submission as default. If a submitted call does not exist, then the most recent draft is selected as default.

b) If neither a submission nor draft exists, then the application notes that no comparison calls are available.

c) If comparison calls are required, the user should stop the edit process and proceed to create and save the appropriate call for comparison.

d) Fatal errors will occur if a comparison call is required but is not available. If a comparison call is not required, the user can continue running edits.

e) If users wish to use a different call in lieu of a default call, the user must select the call from the list of possible calls. The selection is made by clicking the ratio button before the appropriate call. The option allows the user to test multiple scenarios before submitting changes.
RUNNING THE EDITS CONTAINED WITHIN THE MIFDRA

View Errors:

a) The application displays the date and time of the most recent edit run at the bottom of the edit error list. If the call has successfully passed all edits without any errors, the message “No errors reported” will be displayed.
b) The list of errors includes the edit number, type, severity, row, column along with a brief description of the edit.
c) The application includes a highlight feature that, when clicked on, highlights the applicable cells implicated by the error.
d) The user can save the list of errors as a PDF, text file, or CSV using the buttons found at the bottom of the list of edit errors.

Reference Calls:

a) Click this link to expand the page and view any comparison calls referenced in the edits. Use the scroll bars to navigate the report.

Create Notes to Bureau:

a) If data is correct but edit errors still appear, adequate explanation must be provided using the ‘Create Notes to Bureau’ link. Click this link to attach or revise notes to a draft or submitted call. If users are responding to a particular edit, they should reference the edit number in their explanation. The notes are not saved until the user clicks the ‘Save Bureau Notes’ button. The CAOM views the notes saved with this option. Click the ‘Export Note to PDF’ link to create a PDF of the notes for your records.

Please note, if a revised call is created and saved from a previously submitted call, the notes are not attached to the revised call.

Running Edits on a Resubmitted Call:

a) Because many of the edits are dependent on the call’s relation to other financial calls, edits for the comparison calls should be re-run before a call is resubmitted. The table presented at the beginning of the section details any predecessor calls associated with the call being submitted (see above).
CALL CRITICISMS

Checking Criticisms

If the Call Notes do not address all edit errors or data anomalies, CAOM may issue a criticism to the submission. The User can check for criticisms in three ways:

a) Click ‘Criticisms’ on the main menu bar at the top of any page in the application. Make selections as appropriate and then click the Apply Filter button. Any criticisms meeting the criteria of the filter will be displayed beneath the filter box. The following information about the CAOM criticisms will be displayed: Carrier Name, Carrier Code, Call Name, Active Year, Submission, Status, and Editor.

Click the View link on the right to view an individual criticism below the list of criticisms. The application allows the user to export the file by clicking the ‘Export Criticism List to PDF’ link to open or save a PDF of all the criticisms selected by the filter. User can also click the ‘Export Criticism List to Excel’ link to open or save as an Excel file.

b) Open the Submissions Page, then click the Criticism link. The Criticisms page opens. Follow the procedure outlined above.

c) Open the Submissions Page, click the Call Name and Submit# to open the Edit Call Submissions page. Scroll down to the View Criticisms link and click the link to expand the page so the criticisms appear. The status of the criticisms will appear. At the bottom of the criticism is an ‘Export Criticism List to PDF’ link. Click the link to open or save a PDF of the criticism.

All open criticisms must be responded to by the date provided. The users should follow the instructions in the criticism.

The carrier can respond to criticisms by:

a) Resubmitting the call with data that resolves any edit errors identified in the criticism.

b) Resubmitting the call with Call Notes that provides an adequate rationale for any edit errors identified in the criticism.
CALL CRITICISMS

Fatal Edits

All fatal edits must be passed before a call can be submitted. Below is a list of common fatal edits.

<table>
<thead>
<tr>
<th>Call</th>
<th>Edit</th>
<th>Description of Test Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>#3, 3A</td>
<td>13.1</td>
<td>In incurred indemnity is zero, incurred claim count must be zero.</td>
</tr>
<tr>
<td></td>
<td>13.3</td>
<td>If open claim count is positive, sum of case indemnity and case medical must be positive.</td>
</tr>
<tr>
<td></td>
<td>21.2</td>
<td>If closed claim count is positive, paid indemnity must be positive.</td>
</tr>
<tr>
<td></td>
<td>21.3</td>
<td>If open claim count is zero, case indemnity must be zero.</td>
</tr>
<tr>
<td>#5, 5A</td>
<td>13.8</td>
<td>If incurred indemnity is zero, incurred claim count must be zero.</td>
</tr>
<tr>
<td>#8</td>
<td>25.5</td>
<td>Line 1 values must equal the corresponding values on the calendar-accident year call.</td>
</tr>
<tr>
<td>#19</td>
<td>40.9</td>
<td>Unless Question 1 = Yes, Question 2 must be No and Question 3 must be blank; Unless Question 2 = Yes, Question 3 must be blank; If Question 2 = Yes, Question 3 is mandatory; Unless Question 4 = Yes, Question 5 must be blank; If Question 4 = Yes, Question 5 is mandatory; and Question 6 is mandatory for all carriers.</td>
</tr>
<tr>
<td>#31</td>
<td>40.1</td>
<td>The valid Industry Catastrophe numbers are 48, 87 or blank.</td>
</tr>
<tr>
<td></td>
<td>40.3</td>
<td>The Policy Effective Date and Accident Date must be in a valid date format (either MM/DD/YYYY or M/D/YYYY).</td>
</tr>
<tr>
<td></td>
<td>40.4</td>
<td>The Market Type code must be either 0 (Assigned Risk) or 3 (Voluntary).</td>
</tr>
<tr>
<td></td>
<td>40.5</td>
<td>The Claim Status code must be either 0 (Open) or 1 (Closed).</td>
</tr>
<tr>
<td></td>
<td>40.6</td>
<td>The State Exposure code must be 21 (Michigan).</td>
</tr>
</tbody>
</table>

In order to process call edits properly, calls must be submitted in proper order.

<table>
<thead>
<tr>
<th>Call</th>
<th>Predecessor</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>First call to process.</td>
</tr>
<tr>
<td>5A</td>
<td>Complete and submit call #5.</td>
</tr>
<tr>
<td>3</td>
<td>Complete and submit call #5.</td>
</tr>
<tr>
<td>3A</td>
<td>Complete and submit call #3 and 5A.</td>
</tr>
<tr>
<td>8</td>
<td>Complete and submit call #5.</td>
</tr>
<tr>
<td>19</td>
<td>Independent of other calls.</td>
</tr>
<tr>
<td>31</td>
<td>Independent of other calls.</td>
</tr>
</tbody>
</table>
Appendix

Calculating Designated Statistical Reporting (DSR) Premium

The Designated Statistical Reporting (DSR) Level Premium is the standard earned premium that would result if business were written at CAOM’s published voluntary loss costs or in the case of assigned risk business, the Department of Insurance and Financial Service rates instead of at the company rates. Carriers must adjust their company standard premium to the DSR level premium.

Voluntary Market DSR Level Premium – The relationship between DSR Level Premium reported in Column (a) of the Financial Calls and Company Standard Premium reported in Column (b) of the Financial Calls is determined by the following components:

- Deviation from published NCCI loss costs
- Expense constant
- Loss constant
- Balance to minimum premium adjustments

Assigned Risk Market DSR Level Premium – The assigned risk DSR Level Premium is the same as the assigned risk Company Standard Premium, because servicing carriers are required to write at the state-approved assigned risk rate level.

Total DSR Level Premium on statewide Calls for each state is the sum of the Voluntary Premium at the Voluntary DSR Level and the Assigned Risk Premium at the Assigned Risk DSR Level (as reported on the Assigned Risk Calls #3A and #5A).

There are two approaches for calculating Designated Statistical Reporting Level Premium:

a) **Extension of Exposures (Approach 1)** – Re-rate a carrier’s workers’ compensation policies using the CAOM published class pure premiums in place of the company’s class rates. This is useful if the company has detailed class data for their WC book of business.

   Step 1: Calculate Manual Premium (MP): MP = (Payroll/100) * CAOM Pure Premium; then
   
   Step 2: Apply premium adjustments in correct order using state-specific premium algorithm.

b) **Adjust the Standard Earned Premium at Company Rates (Approach 2)** – This is useful if the company derives its rates using a consistent expense based multiplier applied to CAOM’s published voluntary pure premiums.
DEFINITIONS

Step 1: Determine the company deviations applied to CAOM’s published pure premiums for a given policy year; then

Step 2: Remove the company deviation from the Standard Earned Premium at Company Rates.

Premium Components Summary

<table>
<thead>
<tr>
<th>Component</th>
<th>Voluntary Business¹</th>
<th>Assigned Risk²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net</td>
<td>Co. Std.</td>
</tr>
<tr>
<td>1. Balance to Minimum Premium Adjustment</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Catastrophe and Terrorism Provisions (e.g. TRIA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Company Loss Constant</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>4. Consent to Rate</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>5. Deductible Coverage – Premium Credits</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>6. Drug-Free Workplace Credits</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>7. Expense Constants: Company-Selected</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>8. Expense Constants: CAOM-Published</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>10. Experience Rating Modification – Carrier’s Plan³</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>11. Foreign Voluntary Compensation</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>12. Increased Limits Premium for Employers Liability</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>13. Independent Carrier Filings</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>15. Managed Care Programs: Managed Care Credits</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>16. Merit Rating Plan Adjustment</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>17. Noncompliance Fees and Surcharges</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>18. Policyholder Dividends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Premium Discounts</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>20. Deviation from CAOM Pure Premiums</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>21. Deviation from MWCPF Rates</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>22. Retrospective Rating Plan Adjustments</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>23. Schedule Rating Adjustments</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>24. Short-Rate Penalty Premium and Cancellation Fees</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>25. Waiver of Subrogation</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>26. Workplace Safety Program Adjustment</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

1. Voluntary Business – Business written in the voluntary market using the company’s filed rates.
2. Assigned Risk – Business written in the facility market using the MWCPF’s filed and approved assigned risk rates.
3. Experience Rating Modification (Carrier’s Plan) – Final experience rating modification factor the carrier applies to their voluntary business.