

DEPT. OF COMMERCE AND CONSUMER AFFAIRS ~~MOTOR VEHICLE~~ INSURANCE DIVISION

Insurance Division

State of Hawaii

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Honolulu, HI 96811-3614

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STATE OF HAWAII

No-Fault Transition

Memorandum 1974-NF-8a Revised

(Supersedes NF-8 dated

August 5, 1974)

October 9, 1974

To: ALL MOTOR VEHICLE INSURERS AUTHORIZED  
IN THE STATE OF HAWAII

From: RONALD Y. AMEMIYA  
MOTOR VEHICLE INSURANCE COMMISSIONER

Subject: MOTOR VEHICLE INSURERS' QUARTERLY REPORTING  
REQUIREMENTS REVISED

Exhibit A presents a matrix of those reporting requirements which have thus far been defined. The purpose of this memorandum is to prescribe the report formats required for motor vehicle insurers' quarterly reports.

The report formats contained in this memorandum are for illustration only. Final report formats should be developed by companies to accommodate processing capabilities. Formats should be a reasonable facsimile of the illustrations contained herein. Size may be expanded to standard data processing forms.

Within 45 days of the end of each calendar quarter, insurers and self-insurers shall file the following reports with the Motor Vehicle Insurance Commissioner or his designated agent:

<u>Regulation reference</u>	<u>Report title</u>
<del>13-4</del> NO LONGER REQUIRED	<del>Distribution of Medical Rehabilitative Expense by Size of Claim</del>
14-2(1)	Hawaii Insured Vehicle Census
14-2(2)	Accident Quarter Experience Report
14-2(3)	No-Fault Policy Cancellation Report
14-2(4)	No-Fault Claims Transaction Report

The following comments and instructions are intended to clarify requirements of these reports.

General Instructions

Insurers who service the joint underwriting plan (JUP) must file separate reports for JUP and voluntary market business.

Groups of insurers under the same ownership and management must prepare a combined group report for submission with the individual insurer reports unless otherwise indicated.

NO LONGER REQUIRED

~~MVID 13-1 Distribution of Medical Rehabilitative Expense by Size of Claim~~

~~This two page report is to be filed by each insurer group and each self-insurer. The purpose of the report is to identify as accurately as possible, the total medical-rehabilitative expenses of each injured person receiving no-fault benefits. Page one is to be used for reporting open claims. Closed claims are to be reported on page two.~~

~~Accident quarters will be developed for a maximum of five years.~~

~~The report is to show the number of individual claims and total medical-rehabilitative benefit dollars paid or pending for those specific claims, by the size of claim categories shown on the form. Classification by size shall be on the basis of total expense incurred (i.e., paid + remaining pending).~~

~~Claims shall be reported gross of: reinsurance; proportionate reimbursement per section 294-5; subrogation per section 294-7; and equitable allocation reimbursement per section 294-35 of the Hawaii no-fault law.~~

~~Data shall be reported by size of deductible applicable for the policy under which payment is made, regardless of whether any deductible was or will be actually applied. The amount reported, and the size of claim classification for which it is reported, shall be determined by the amount actually paid by the insurer, net of any deductible actually applied.~~

MVID 14-2(1) Hawaii Insured Vehicle Census

Line 1 of this report is to include the average number of vehicles insured during the calendar quarter. Number of insured vehicle counts shall be shown separately for private passenger non-fleet, motorcycle, commercial and all other, and total for each territory and in total for all territories.

Lines 2(a) through (d) of the report are to show the number of line 1(e) vehicles with each of the optional additional coverages for the benefits listed. It will not be necessary to further identify the specific options.

Lines 3(a) through (e) require reporting the number of insured vehicles by size of deductible applicable to no-fault benefits.

Lines 4(a) through (e) require reporting the number of insured vehicles charged a rate for basic coverage above the insurers' basic rate for the use classification, mileage, and territory of the vehicle (e.g., higher rates because of

accident record, convictions or occupation.) Insurers utilizing "point count" systems for determining surcharges may report by surcharge level; those using separate classifications should report the number of vehicles in each such separate classification. In each case, the amount of the surcharge (either dollar amount or percentage of basic rates) shall be reported.

Line 5 requires reporting the number of insured vehicles rated subject to the 10% student discount.

Insurers may develop the data for this report in either of the following manners:

- (1) Average number of vehicles in force during the quarter. Averages may be calculated as the mean of beginning and ending figures, or by other appropriate statistical methods.
- (2) Earned exposures (expressed as vehicle quarters) during the quarter. Such earnings should be on a calendar quarter basis.

Insurers should identify the reporting basis utilized

Data in this report must be measured in term of number of vehicles. Exposure bases such as payroll, gross receipts, etc., are not acceptable, since the reports will be utilized to determine the amount of driver's education fund fees payable, and to monitor public compliance with the compulsory coverage nature of no-fault insurance.

#### MVID 14-2(2) Accident Quarter Experience Report

The requirements of this report, to be filed by each insurer group and self-insurer, are described in section 14-2(2) of the proposed regulations and the report format is described in the attached exhibit. Additional instructions are to report round car years and dollar amounts to the nearest whole number.

Premium and exposure data should be reported on a calendar-quarter basis.

Physical damage losses may be reported on either a calendar quarter or accident basis. Insurers should indicate the basis on which the data is reported.

Premium and exposure data for uninsured motorist coverage may be included with residual liability. Loss information for uninsured motorist must be separately reported.

Servicing carriers for JUP business should not include any allocated loss adjustment expense on their JUP report, since this is compensated on a percentage of premium basis.

Experience shall be reported gross of reinsurance and net of subrogation, allocation of burdens, and proportionate reimbursement.

Reserves carried for deficiencies in case-basis reserves should be reported either as part of the IBNR reserve, or as part of the reserve on open claims. Insurers should exclude joint underwriting plan experience allocated and booked as direct business but include runoff experience on HAIP assigned risk business. Accident quarters will be developed for a maximum of five years.

MVID 14-2(3) No-Fault Policy Cancellation Report

This report is to be filed by each insurer group and self-insurer. The report must show a tabulation of cancellation and refusals to renew by cause or reason.

MVID 14-2(4) No-Fault Claim Transaction Report

This report must include the specific claims transaction data listed on the report, for the quarter and on a year-to-date basis. In addition, claims for which suit was instituted by the insured, and claims not paid within 30 days of receipt of proof of loss, must be tabulated by cause or reason.

For the purposes of this report, "suit" refers to suits brought by insureds or other insured parties against their own insurers, for the collection of no-fault benefits, as provided in sections 294-4 and 294-30. The term excludes tort actions brought by third parties against insureds and/or their insurers.

The count of claims opened and closed without payment shall exclude reopened claims.

Quarterly Report Transmittal Form

An illustration of a transmittal form and certification statement with which quarterly reports are to be submitted to the Motor Vehicle Insurance Commissioner is attached.

NO-FAULT INSURANCE  
REPORT MATRIX

Regulation reference	Report title	Report to be submitted:		Frequency	Timing (number of days after end of report period)	Period covered by first report quarter
		By	To			
<del>4-3</del>	<del>Notice of Cancellation</del>	<del>Insurers</del>	<del>County Director of Finance</del>	<del>Each incident</del>	<del>5 days after effective date</del>	<del>Not applicable</del>
9-1	Drivers Education Fund Underwriters' Fee	Insurers and self-insurers	Commissioner	Annually	45 days after December 31	Not applicable
<del>12-1</del>	<del>Motorcycle or Truck Accident Report</del>	<del>Insurers and self-insurers</del>	<del>Commissioner</del>	<del>Each incident</del>	<del>45 days after month of accident</del>	<del>Not applicable</del>
<del>13-1</del>	<del>Distribution of Medical Rehabilitative Expense by Size of Claim</del>	<del>Insurer groups and self-insurers</del>	<del>Commissioner</del>	<del>Quarterly</del>	<del>45 days</del>	<del>4 months - 9/1/74 through 12/31/74</del>
14-2(1)	Hawaii Insured Vehicle Census	Insurers, groups and self-insurers	Commissioner	Quarterly	45 days	1 month - September 1974
14-2(2)	Accident Quarter Experience	Insurers, groups and self-insurers	Commissioner	Quarterly	45 days	4 months - 9/1/74 through 12/31/74
14-2(3)	No-fault Policy Transaction Report	Insurers, groups and self-insurers	Commissioner	Quarterly	45 days	1 month - September 1974
14-2(4)	No-fault Claims Transaction Report	Insurers, groups and self-insurers	Commissioner	Quarterly	45 days	1 month - September 1974

**QUARTERLY REPORT TRANSMITTAL FORM**

TO:

FROM: (Company or Group)

DEPT. OF COMMERCE & CONSUMER AFFAIRS  
Insurance Division  
ATTN: Rate & Policy Analysis Branch  
State of Hawaii  
P.O. Box 3614  
Honolulu, HI 96811

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBJECT:

**TRANSMITTAL OF MOTOR VEHICLE INSURER QUARTERLY REPORTS**

Submitted herewith are the following reports (Check appropriate boxes):

- MVID 14-2(1) Hawaii Insured Vehicle Census
- MVID 14-2(2) Accident Quarter Experience Report
  - Initial Report for Quarter Ended \_\_\_\_\_ Date \_\_\_\_\_
  - \_\_\_\_\_ Updated Reports for Quarters Ended \_\_\_\_\_  
No. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- MVID 14-2(3) No-Fault Policy Cancellation Report
- MVID 14-2(4) No-Fault Claims Transaction Report

I certify that the data reported in the attached reports are true and correct summaries of this company's (group's) experience, to my best knowledge and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Position

HAWAII INSURED VEHICLE CENSUS

For the calendar quarter ended \_\_\_\_\_

REPORTING INSURER, \_\_\_\_\_  
 GROUP OR  
 SELF-INSURER \_\_\_\_\_

	Column 1 PPNF	Column 2 MC	Column 3 COM	Column 4 TOTAL
1. Number of insured vehicles				
a. 01 Honolulu				
b. 03 Maui				
c. 04 Kauai				
d. 05 Hawaii				
e. Total				
The following lines apply only to columns 1 and 2:				
2. Number on line (1.e) with optional additional coverage for:				
a. no-fault benefits				
b. bodily injury liability limits				
c. comprehensive, fire and theft				
d. collision				
3. Number on line (1.e) with deductibles for no-fault benefits:				
a. 100				
b. 300				
c. 500				
d. 1,000				
e. other				
4. Number surcharged (see instructions below)				
a. _____				
b. _____				
c. _____				
d. _____				
e. _____				
5. Number on line 1 with 10% student discount				

Instructions for Item 4: Show the number of insured vehicles charged a rate for basic coverage above the basic rate for the use classification, mileage, and territory of the vehicles (e.g., accident record, convictions, or occupation).

MVID 14-2(1) 9/74

Indicate reporting basis:  Average number of vehicles in force  
 Earned exposure

REPORTING INSURER, \_\_\_\_\_  
 GROUP OR \_\_\_\_\_  
 SELF-INSURER \_\_\_\_\_

ACCIDENT QUARTER EXPERIENCE REPORT  
 Calendar-Accident Quarter Ending \_\_\_\_\_, Evaluated as of \_\_\_\_\_

Coverage	Exposure		Gross Premium		Number of Claims		Paid On:		Reserve on	Reserve	Total Incurred
	Car Years		Written	Earned	Incurred	Pending	Closed Claims	Open Claims	Open Claims	for IBNR	
	Written	Earned	Written	Earned	Incurred	Pending	Closed Claims	Open Claims	Open Claims	for IBNR	
<b>Private Passenger Non-Fleet:</b>			\$	\$			\$	\$	\$	\$	\$
1.1 No-Fault Benefits											
1.2 Residual Liability											
1.3 Property Damage											
1.4 Uninsured Motorist											
1.5 Physical Damage - Note B											
1.6 Total PPNF											
<b>Motorcycles:</b>											
2.1 No-Fault Benefits											
2.2 Residual Liability											
2.3 Property Damage											
2.4 Uninsured Motorist											
2.5 Physical Damage - Note B											
2.6 Total Motorcycle											
<b>Commercial and All Other:</b>	Not Applicable										
3.1 No-Fault Benefits											
3.2 Residual Liability	Not Applicable										
3.3 Property Damage											
3.4 Uninsured Motorist	Not Applicable										
3.5 Physical Damage - Note B											
3.6 Total Commercial and All Other	Not Applicable										
<b>GRAND TOTALS</b>											
4.1 No-Fault Benefits	Not Applicable										
4.2 Residual Liability											
4.3 Property Damage	Not Applicable										
4.4 Uninsured Motorist											
4.5 Physical Damage - Note B	Not Applicable										
4.6 Total											

NOTE A: Experience shall be reported gross of reinsurance and net of proportionate reimbursement per Section 294-5; subrogation per Section 294-7; and equitable allocation of burdens per Section 294-35 of the Hawaii No-Fault Law. Insurers should exclude joint underwriting plan experience allocated and booked as direct business but include runoff experience on HAIP assigned risk business.

NOTE B: Indicate basis for reporting physical damage losses  accident quarter  calendar quarter.

**NO-FAULT CLAIM TRANSACTION REPORT**  
 For the Calendar Quarter Ended \_\_\_\_\_

REPORTING \_\_\_\_\_  
 INSURER, GROUP \_\_\_\_\_  
 OR SELF-INSURER \_\_\_\_\_

	<u>THIS QUARTER</u>	<u>YEAR-TO-DATE</u>
1. Number of claims opened (exclude reopened)_____	_____	_____
2. Closed without payment (exclude reopened)_____	_____	_____
3. In suit at end of quarter_____	_____	_____
4. Suit instituted by insured during quarter_____	_____	_____
5. Unpaid within 30 days of receipt of proof of loss _____	_____	_____
6. Interest paid on claims on line (5)_____	_____	_____

ANALYSIS OF LINES (4) AND (5) REASON	LINE (4) SUIT INSTITUTED		LINE (5) UNPAID AFTER 30 DAYS	
	<u>THIS QUARTER</u>	<u>YEAR-TO-DATE</u>	<u>QUARTER</u>	<u>YEAR-TO-DATE</u>
<b>TOTALS</b>				

Attach additional sheets if necessary

**NO-FAULT POLICY CANCELLATION REPORT**

For The Calendar Quarter Ended \_\_\_\_\_

REPORTING INSURER\* \_\_\_\_\_

NAIC # \_\_\_\_\_

\* (each insurer must file)

\*\* Excludes Non-owners policies

GROUP \_\_\_\_\_

**ANALYSIS OF NO-FAULT POLICIES\*\* CANCELED OR REFUSED RENEWAL (Self-insurers need not complete this section)**

REASON	Terr. 01 Oahu		Terr. 03 Maui		Terr. 04 Kauai		Terr. 05 Hawaii		Other (explain)	
	Number This Quarter	Total Cal. Yr.-To-Date								
(1) Non-payment of premium										
(2) License suspended or revoked										
(3) Policyholder request										
(4) Policyholder eligibility										
(5) Notice's of non-renewal										
(6) Notice's of conditional renewal										
(7) Subtotal (5) + (6)										
(8) Cancellation within 60 days of policy period for (1) or (2)										
(9) Other (describe)										
<b>TOTAL</b>										
For the calendar year ended _____										
(A) In force policies, preceding calendar year-end _____										
(B) Two percent of In force policies, (A) X .02										
(C) Subtract line B From line 7, (7) - (B) if less than zero, enter zero, and stop here.										
(D) New policies written										
(E) Subtract line B from line D then multiply by .5, [(D) - (B)] X .5										
(F) Subtract line E from line C, (C) - (E) if less than zero, enter 0, and stop here. if greater than zero, you may be subject to a penalty.										