



2019 CALL HIGHLIGHTS

STATISTICAL DATA MONITORING SYSTEM CALL

There are no changes for the 2019 Statistical Data Monitoring System Call.



January 1, 2019

Call SDMS-2019

To: NISS Member Companies Reporting Connecticut, New York, or Rhode Island Private Passenger Automobile Experience

Re: 2019 Statistical Data Monitoring System Call

With this letter we are sending you instructions for reporting the 2019 Statistical Data Monitoring System Call. All insurers writing private passenger automobile insurance in Connecticut, New York or Rhode Island are subject to the provisions of SDMS unless a waiver has been granted. The General Information page in this Call identifies the initial implementation dates for the various requirements as established in the enabling regulation at the time each state adopted SDMS.

The due date for submitting the 2019 Statistical Data Monitoring System Call is:

March 31, 2019

All reports of experience (Original Submissions and Refiles) must be submitted via the NISS Member Company website at www.niss-stat.org under Data Submissions & Filings/Submit Supplemental Calls. If you have nothing to report (“NTR”) for this Call, please be sure to select “NTR” in the appropriate section of the Online forms.

All Refiles should be noted as a “**Refile**” in the Comments section of the Online form.

This Call has been assembled into **four** sections as listed below. We suggest that you use this letter as a guide while studying the material. Also, please execute and submit any required materials as instructed.

**National
Independent
Statistical
Service**

3601 Vincennes Road

P.O. Box 68950

Indianapolis, Indiana 46268-0950

317.876.6200

fax 317.876.6210

<http://www.niss-stat.org>

I. General Instructions

This section includes the following information:

1. Call Sheet – Indicates the information to be reported, the states, and the due date.
2. General Information – Indicates the enabling regulations and implementation dates as well as the compliance requirements.
3. Special Information – Provides a brief summary of the five major SDMS requirements and the Regulatory Examination.

I. Reporting Instructions

This section provides instructions for completing the SDMS Forms.

II. Exhibit – SDMS Company Requirements

This section sets forth the sampling and reasonability testing requirements based on system version and company size.

III. Forms

This section includes copies of the Online forms you will complete via the NISS Member Company website. Please use these forms to help prepare your Online submission:

- Forms 2019SDMS-F-1 and 2019SDMS-F-2 – These forms are to be used to report the Index to Sampling Tests for premium and claim systems, respectively.
- Form 2019SDMS-F-3 – This form is to be used to report the Annual Report of Mapping Discrepancies.
- Form 2019SDMS-F-4 – This form is to be used to report the Annual Report of Error Rates.

Please contact NISS if you have any questions or need additional information about this Call.

Very truly yours,



Theresa A. Szwast
President & CEO

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL

SECTION I

GENERAL INSTRUCTIONS

COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN:

**CONNECTICUT
NEW YORK
RHODE ISLAND**

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL GENERAL INSTRUCTIONS COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

Call Sheet

Companies should submit to the National Independent Statistical Service (NISS) the experience indicated below for the states in which you are subject to the Statistical Data Monitoring System (SDMS) and NISS is your statistical agent for Private Passenger Automobile data.

Due March 31, 2019

Connecticut New York Rhode Island

**Index to Sampling – Forms SDMS-1 and SDMS-2
Annual Report of Mapping Discrepancies – Form SDMS-3
Annual Report of Error Rates – Form SDMS-4**

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL GENERAL INSTRUCTIONS

COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

General Information

The filing of data under this Call satisfies the Index to Sampling, Annual Report of Mapping Discrepancies, and Annual Report of Error Rates. Note that the NISS Financial Reconciliation Call (FR-2019) must be completed before the NISS SDMS Certification Call (SDMS-C-2019) is submitted.

On an annual basis, companies subject to the SDMS are required to complete all documentation specified by the Statistical Data Monitoring System and have it available for inspection. Companies are also required to submit the necessary reports to the appropriate statistical agent by the prescribed due dates.

All Insurers writing private passenger automobile insurance in Connecticut, New York, or Rhode Island are subject to the provisions of SDMS unless a waiver has been granted. The General Information page in this Call identifies the initial implementation dates for the various requirements as established in the enabling regulation at the time each state adopted SDMS.

The three-volume set of SDMS procedure manuals provide the basis for information included in this Call. Any company that does not have a set of manuals or has any questions as to the applicability or requirements of the SDMS should contact NISS.

These reports should be completed in the manner described in this Call, a description which parallels the criteria set forth in Volume 1, Chapter 2 of the SDMS Manuals.

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COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

General Information (Continued)

Volume I, Chapter 2, of the Statistical Data Monitoring System Manuals describes the compliance requirements for companies which are subject to SDMS.

The SDMS requirements are related both to the size of the company as a whole and to the number and size of different system versions (refer to Pages G-6 and G-7 of the Glossary included in SDMS Volume I) which a company uses to process Private Passenger Automobile Statistical Data. Each company must determine the number of different system versions for premium as well as claim processing and identify the size (dollar volume processed) for each different system version in order to determine the applicability of the system description and sampling requirements. The reasonability test requirement is applicable depending on the company's total private passenger written premium. Each company subject to SDMS is required to complete the Annual Review and Certification and the Reconciliation of Statistical Data to Financial Statements, regardless of company and system version size.

The following tables indicate the adoption status of SDMS and the effective dates which apply to each state. States to which the Statistical Data Monitoring System applies:

State	Regulation	Adoption Date
Connecticut (06)	38-201cc	October 18, 1984
New York (31)	103	November 18, 1982
Rhode Island (38)	XXXII	June 3, 1983

I. Individual Requirements Implementation Dates:

State Code	System Descriptions /	Statistical Sampling	Sampling Operational Testing	Reasonability:	
	Control Checklist Must be Complete			Comparison Years	Financial Reconciliation
06	12.31.1985	01.01.1986	10.01.1985	1985-1986	01.01.1985
31	12.31.1983	01.01.1984	10.01.1983	1983-1984	01.01.1983
38	12.31.1984	01.01.1985	10.01.1984	1984-1985	01.01.1984

Additionally, each Regulation specifies that:

1. Annual Review and Certification is effective in conjunction with other SDMS effective dates.
2. Periodic review by the Insurance Department is effective upon promulgation of the Regulation.

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2019 STATISTICAL DATA MONITORING SYSTEM CALL GENERAL INSTRUCTIONS COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

Special Information

The summary of SDMS requirements below briefly describes the purpose of each as well as the major task(s) and reporting requirement(s) where applicable. References contained within parentheses indicate the location within the SDMS manuals of additional information.

1. Description of Company Systems (Volume I, Chapter 3) and Procedural Controls (Volume II, Chapter 7)

The purpose of this requirement is to provide an independent examiner with a concise summary of the systems which a company uses to process Private Passenger Automobile Statistical Data. The following documentation is required:

- a. A high level schematic of each system version used to process statistical data (refer to pages 3.8 – 3.14).
- b. A narrative description of the processing performed by each system (refer to pages 3.14 – 3.16).
- c. A standardized procedural control checklist (refer to Chapter 7).

These documents are to be retained by the company and available for inspection.

2. Sampling Test (Volume I, Chapter 4)

The purpose of this requirement is to establish verifiable controls for the handling of statistical data. The premise of this test is that the sampling and verification of transactions will detect errors introduced into a statistical submission and provide a high level of assurance that sources of errors will be identified. Sampling requirements are dependent on system version size and to complete the sampling test the company must:

- a. Draw and evaluate the appropriate number of sample items for each system version (refer to page 4.7). Perform secondary verification where applicable (refer to pages 4.7 – 4.9).
- b. Identify the source(s) of any error(s) and correct the cause(s) of the error(s).
- c. Evaluate the performance and summarize the results of the sampling.
- d. Prepare the necessary documentation (refer to pages 4.14 – 4.16).

Reporting Requirement: Refer to Page 1 of the SDMS Call

Index to Sampling
Annual Report of Mapping Discrepancies
Annual Report of Error Rates

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL GENERAL INSTRUCTIONS COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

Special Information (Continued)

3. Reasonability Testing (Volume I, Chapter 5)

The purpose of this requirement is to evaluate the accuracy of summarized data. As with sampling, this test is designed to discover causes of errors in the company's data handling process. The objective is to insure that company data submitted to NISS is reasonably consistent with data submitted in prior periods and that apparent inconsistencies may be explained. Reasonability requirements are dependent upon the company size as a whole (refer to page 2.5). Each company subject to this requirement is responsible for:

Identifying a minimum of 25 questionable values for examination and explanation of variances.

NISS will provide, at the company's request, the required summarized data comparisons (territory within state, coverage within state, and major classification within state) to the company; however, each company is responsible for the analysis of the items provided and the documentation of the results. Companies required to perform reasonability testing should contact NISS if they want assistance with these comparisons.

The documentation is to be retained by the company and available for inspection.

4. Financial Reconciliation (Volume I, Chapter 6)

The purpose of this requirement is to ensure that the statistical data submitted to NISS reconciles with the financial data reported on Statutory Page 14 of the Annual Statement for each state.

Reporting Requirement: Refer to NISS Call FR-2019

5. Annual Compliance Review and Certification Statement (Volume I, Chapter 2)

An officer of the company must certify annually that the company has complied with the applicable provisions of SDMS.

Reporting Requirement: Refer to NISS Call SDMS-C-2019

6. Regulatory Examination (Volume I, Chapter 2)

The Statistical Data Monitoring System provides that regulators of states which have adopted SDMS may periodically review company procedures for collecting and processing Private Passenger Automobile data. In the event an examination is scheduled, each company is to complete a "Description of General Company Environment" (see Volume II, Chapter 8) and have the necessary documentation of the individual requirements available for review.

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL

SECTION II

REPORTING INSTRUCTIONS

COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN:

**CONNECTICUT
NEW YORK
RHODE ISLAND**

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL REPORTING INSTRUCTIONS

COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

- I. Index to Sampling Tests (Refer to Pages 4.15 and 4.16)
- A. The Index to Sampling Tests should be completed if NISS is your primary statistical agent for Private Passenger Automobile statistical experience in states which have adopted SDMS. This report is required of all companies with no system versions large enough to require that sampling be performed.
- B. Form SDMS-1 should be used to identify premium systems. Form SDMS-2 should be used to identify claim systems.
- C. Data to be Reported:
1. Any system version, which is covered by SDMS and on which sampling has been performed, should be included in “Section I – System Versions Sampled”.
 2. Any system version which is covered by SDMS but has not been sampled should be included in “Section II – System Versions Not Sampled”.
 3. Any system version which processes data exclusively for a state or states which have not adopted SDMS and is, therefore, not subject to the sampling requirement should be included in “Section III – System Versions Not Covered by SDMS”.
 4. The “Description” should include a brief statement, which will identify the system versions listed. This field is for reference purposes only and may be a name or brief description.
 5. The “Approximate Transaction Volume” should indicate the volume of annual transactions processed through each system version, rounded to the nearest thousand.
 6. The “Annual Volume” should indicate the approximate annual private passenger written premium dollar volume (Form SDMS-1) or the incurred loss dollar volume (Form SDMS-2) for each system version, rounded to the nearest thousand dollars. Companies whose system versions are classified as “large” should round to the amount, which is most accurate for their approximation, but should be at least to the nearest million dollars (expressed in thousands).
 7. The “Annual Sample Size” should indicate the actual number of sample transactions drawn for each system version subject to SDMS.
 8. The “Number of Times Sample Drawn” should indicate the number of times during the year when sample transactions have been drawn for the purpose of SDMS sampling.
 9. The “Total” should separately identify the total annual volume for Sections I, II, and III.

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL REPORTING INSTRUCTIONS COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

- II. Annual report of Mapping Discrepancies (Refer to page 4.7)
- A. The Annual Report of Mapping Discrepancies should be completed if your company has performed sampling tests on one or more system versions.
 - B. Form SDMS-3 should be used to report these results.
 - C. Data to be Reported:
 - 1. The “Total Records Sampled” should be consistent with the sum total of records sampled, which have been reported on the Index to Sampling Tests, Annual Sampling Size, under Section I.
 - 2. The “Total Records Matched” should indicate the number of records within the sampling tests, which have been traced to both a corresponding source record and target record as defined in the manuals.
 - 3. The mapping discrepancy items (territory code and classification code) should indicate the percentage of matched records in which discrepancies have occurred due to the automated conversion of internal company codes to NISS Automobile Statistical Plan codes in cases where there is not a direct correlation of codes.
- III. Annual Report of Error Rates (Refer to page 4.14)
- A. The Annual Report of Error Rates should be submitted if your company has performed the sampling test procedure on one or more system versions.
 - B. Form SDMS-4 should be used to report these results.
 - C. Data to be Reported:
 - 1. The company should include aggregate amounts from all **sampled** system versions in conjunction with each item other than Item 1, approximate annual dollar volume.
 - 2. Line Item 1, approximate annual dollar volume, should represent all systems subject to SDMS and should be consistent with the sum of the amounts reported on the Index to Sampling Tests “Total Section I” and “Total Section II”.
 - 3. Line Items 2-20 should be expressed as a percent, significant to the nearest one-tenth of one percent (XX.X). Each line should represent the weighted average for each submission record code error rate for each system version sampled plus, if applicable, the submission record code error rate determined from secondary verification.

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COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

4. Line Items 21-28 should be expressed as a percent, significant to the nearest one-tenth of one percent (XX.X). It should represent the weighted average error rate of records, which contain a “Submission Record Transaction Amount” error, plus, if applicable, any error rate from secondary verification. A “Submission Record Transaction Amount” error refers to an error in the “amount” fields associated with an individual record and is considered independently of any submission record code errors. (Appendix 4-2, Optional Sampling and Verification Procedures, provides further information on submission record code/transaction amount verification.)

Calculations:

- a) The error rate for an individual data element for a single system version is the total number of records in error for that submission record code or transaction amount field for that system version (for all samples drawn) divided by the total number of records sampled and matched to both source and target records (refer to page 4.25). Multiply by 100 and round to the nearest one-tenth of one percent (XX.X).
- b) The weighted average is obtained by calculating the product of the individual error rate for each system version sampled times the dollar volume of that system version, summing the products, and dividing by the total dollar volume of all system versions sampled. Weighted averages are calculated separately for premium and claim systems.
- c) The data element error rate for secondary verification is the total number of errors for the data element divided by the total number of items in the secondary verification sample (refer to page 4.2). Multiply by 100 and round to the nearest one-tenth of one percent (XX.X).
5. Line Item 31 should be expressed as a percent, significant to the nearest one-tenth of one percent (XX.X). It should represent the percentage of unmatched records, calculated as follows:

$$\frac{(\text{Total Records Sampled} - \text{Total Records Matched})}{\text{Total Records Sampled}} \times 100 = \text{XX.X}\%$$

Note: The “Total Records Sampled” and “Total Records Matched” used for this calculation should be consistent with those reported on the “Annual Report of Error Rates”, separately for Premiums and Claims.

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2019 STATISTICAL DATA MONITORING SYSTEM CALL REPORTING INSTRUCTIONS COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

- IV. Financial Reconciliation
 - A. Refer to Call FR-2019

- V. Certification
 - B. Refer to Call SDMS-C-2019

NATIONAL INDEPENDENT STATISTICAL SERVICE

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SECTION III

EXHIBIT – SDMS COMPANY REQUIREMENTS

COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN:

**CONNECTICUT
NEW YORK
RHODE ISLAND**

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL EXHIBIT – SDMS COMPANY REQUIREMENTS COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN CT, NY, & RI

	COMPANY SIZE		SYSTEM VERSION SIZE			Compliance Reporting Timetable (Following close of calendar year)
	Large Company (Above \$1.75 billion countrywide or above \$180 million New York State written premiums)	Small Company (Below \$1.75 billion countrywide or below \$180 million New York State written premiums)	Large System Versions (Above \$2 billion written premiums or above \$1.25 billion incurred losses)	Small System Versions (\$300 million - \$2 billion written premiums or \$170 million - \$1.25 billion incurred losses)	Very Small System Versions (Below \$300 million written premiums or below \$170 million incurred losses)	
MONITORING SYSTEM REQUIREMENTS						
Annual Compliance Requirements – Annual Review – Certification	YES	YES				SEPTEMBER 30
Reasonability Tests	YES	NO				SEPTEMBER 30
Financial Reconciliation	YES	YES				JUNE 30
Description of General Company Environment	YES	YES				Only after examination has been scheduled
Description of Company Systems – High Level Schematic – Narrative Description			YES	YES – If all versions are small or very small, only the largest	GENERALLY NO – 3 condition test	Prior to first year updated as required upon notice of examination
Procedural Control Checklists			YES	YES – If all versions are small or very small, only the largest	GENERALLY NO – 3 condition test	Prior to first year updated as required upon notice of examination
Sampling Tests – Target File Verification			500 records per version	100 records per version – if all versions are small or very small, only the largest	GENERALLY NO – 3 condition test	MARCH 31
– Submission File Verification			YES – 500 records in total – all versions	YES – Unless all versions are small or very small	NO	MARCH 31

NATIONAL INDEPENDENT STATISTICAL SERVICE

2019 STATISTICAL DATA MONITORING SYSTEM CALL

PART IV

FORMS

COMPANIES FILING PRIVATE PASSENGER AUTOMOBILE IN:

**CONNECTICUT
NEW YORK
RHODE ISLAND**



Statistical Data Monitoring System - Form SDMS-1

Index to Sampling: Premium Systems

Section I - System Versions Sampled Description	Approximate No. of Transactions (Thousands)	Annual Volume (\$Thousands)	Annual Sample Size	Number of Times Sample Drawn

Total Section I: _____

Section II - System Versions Not Sampled Description	Annual Volume (\$Thousands)

Total Section II: _____

Section III - System Versions Not Covered by SDMS Description	Annual Volume (\$ Thousands)

Total Section III: _____

Nothing To Report

Comments:



Statistical Data Monitoring System - Form SDMS-2

Index to Sampling: Claim Systems

Section I - System Versions Sampled Description	Approximate No. of Transactions (Thousands)	Annual Volume (\$Thousands)	Annual Sample Size	Number of Times Sample Drawn

Total Section I: _____

Section II - System Versions Not Sampled Description	Annual Volume (\$Thousands)

Total Section II: _____

Section III - System Versions Not Covered by SDMS Description	Annual Volume (\$ Thousands)

Total Section III: _____

Nothing To Report

Comments:



Statistical Data Monitoring System - Form SDMS-3

Annual Report of Mapping Discrepancies

	Premiums	Claims
Total Records Sampled		
Total Records Matched		
Mapping Discrepancies (Percent of Matched Records)	Premiums	Claims
Territory Code		
Classification Code		

Nothing To Report

Comments:

SAMPLE



Company Name
 Company #
 Calendar Year 2018
 Call Year 2019

Statistical Data Monitoring System - Form SDMS-4

Annual Report of Error Rates

	A. Premium	B. Claims
Approximate Annual Dollar Volume		

(Thousands of Dollars)

Data Element	A. Premium Error Rate	B. Claim Error Rate
<i>Submission Record Codes:</i>		
Accounting Quarter and Year		
Type of Loss Code		
State Code		
Territory Code		
Line of Insurance Code		
Coverage Code		
Subline of Business		
Classification Code		
Model Year/Age Group		
Symbol Code		
Penalty Point/Surcharge Code		
Accident Month and Year		
Anti-Theft Device Code		
Policy Limits Code		
Passive Restraint Code		
Anti-Lock Brake Discount		
ZIP Code		
Defensive Driver Code		
Daytime Running Lamps Discount		



**Statistical Data Monitoring System - Form SDMS-4
Annual Report of Error Rates**

Data Element	A. Premium Error Rate	B. Claim Error Rate
<i>Submission Record Transaction Amounts:</i>		
Written Exposure		
Written Premium		
Paid Loss		
Paid "Allocated" Expense		
Number of Paid Claims		
Unpaid Losses		
Unpaid "Allocated" Expense		
Number of Unpaid Claims		
<i>Mismatched Records:</i>		
Percent mismatched of total sample		

Nothing To Report

Comments: