

## Instructions for Credit Involuntary Unemployment Benefit Insurance Experience Reports

1. Each carrier selling credit involuntary unemployment benefit (I.U.B.) insurance in this state shall submit reports of its Maryland credit I.U.B. insurance experience on the following basis:

a. Case Experience

(i) “Case” means an account, or, at the option of the carrier, a combination of some or all of the carrier’s accounts written under an identical plan of benefits where the gross annual premiums may reasonably be expected to exceed \$50,000 per year on a prima facie basis.

**“New case” means an account where the gross premiums before refunds and at prima facie rates exceed or may reasonably be expected to exceed \$50,000 in the most recent policy year, but did not exceed \$50,000 in the prior policy year.**

“Account” means the coverage for a single plan of benefits for credit I.U.B. insurance under one premium payment method offered to a single class of business by one creditor in Maryland.

(ii) Statistical reports for credit I.U.B. insurance cases are to be filed on Forms CP-30 and CP-31. **NO NON-CASE BUSINESS SHOULD BE REPORTED ON CP-30.**

(iii) Case reports should include the experience of a minimum of two calendar years. Please show each year separately, with a total column or total page.

(iv) Statistical reports for cases that met or exceeded the minimum case threshold of \$50,000 for each of the two most recent calendar years must be filed by May 1 of the subsequent year.

(v) Statistical reports for new cases (met or exceeded the minimum case threshold of \$50,000 for the most recent calendar year but not the previous calendar year must be filed by June 30 of the subsequent year. The report must include the experience of the two latest calendar years, even though the first year had gross premiums of less than \$50,000. These cases should be submitted again by April 30 of the subsequent year.

**PLEASE NOTE: The experience of a new case must be included also in the non-case report.**

(vi) Please note that it is necessary to submit the earned premium conversion Form CP-31 if there are any premiums earned at other than prima facie rates. **DO NOT SUBMIT FORM CP-31 IF LINE 7 IS EQUAL TO LINE 6.**

**ALL CASE EARNED PREMIUMS MUST BE CONVERTED TO PRIMA FACIE EARNED PREMIUMS USING THE PRIMA FACIE RATES THAT BECAME EFFECTIVE JANUARY 1, 2003.**

(vii) Case reports shall include a determination of the proper case rates under Regulation .08D of COMAR 31.13.03. If a downward deviation of the rates is necessary, the carrier shall request an effective date for implementation, which shall be on or before 45 days after the date of filing of the report. If the data substantiates an upward deviation, the carrier may request a date for implementation, which shall be within 90 days after the filing date.

b. Non-Case Experience

(i) Non-case experience is to be reported on Forms CP-29 and CP-31 for credit I.U.B. insurance. **NO “CASE” EXPERIENCE IS TO BE REPORTED IN THE NON-CASE EXPERIENCE.** However, see a.(v) above. Reports for non-case business must be filed on a calendar year basis by June 30 of the following year.

(ii) Please note that it is necessary to submit the earned premium conversion Form CP-31 if there are any premiums earned at other than prima facie rates.

2. The credit I.U.B. insurance experience is to be distributed among the principal categories (single premium and outstanding balance) based on the method of premium payment by individual debtors.

3. Experience related to joint I.U.B. insurance must be reported separately from experience related to single I.U.B. insurance.

4. Single premium rates reported throughout Forms CP-29 and CP-31 must reflect actual premium rates per \$10 of monthly benefit at which insurance was issued--not simply Maryland's maximum standard premium rates.

5. Outstanding Balance premium rates reported throughout Forms CP-29 and CP-31 reflect the actual premium rate per \$10 of monthly benefit at which the insurance was issued.

6. Please note that a separate Form CP-29 and CP-31 is required for each type of credit I.U.B. coverage (30-day retroactive, 30-day nonretroactive, lump-sum coverages) and each premium mode (single or outstanding balance).

7. Forms CP-32 and CP-33 are to be used to balance the figures in the experience reports to the figures listed on page 15.MD of the Annual Statement. A separate Form is to be completed for each premium mode of group and individual business. A total of the figures shown on each of the separate Forms is to be made and compared to the figures shown on page 15.MD of the Annual Statement. All discrepancies in the comparisons must be explained. **IF ANY FIGURE DOES NOT CORRESPOND, A DETAILED EXPLANATION SHOULD BE ATTACHED TO PAGES CP-32 AND CP-33 EXPLAINING ANY AND ALL DISCREPANCIES.** Differences caused by “case” elimination should be noted as such.

8. Please note that the calendar years were previously shown in the forms and have been replaced by blanks. Carriers are expected to fill in the appropriate year(s).

### **Important Information for Credit Involuntary Unemployment Benefit Insurance Experience Reports**

1. The Maryland Insurance Administration has adopted credit involuntary unemployment benefit insurance regulations contained in COMAR 31.13.03. These regulations became effective January 1, 2003.

The regulations establish prima facie premium rates and contain specific policy form requirements and restrictions. If your company is currently writing coverages subject to COMAR 31.13.03 and has not yet made the revised filings for compliance with the new regulations, your company's forms and/or rates are currently non-compliant and your company may be subject to administrative penalties.

2. Regulation .06 of COMAR 31.13.03 requires that actual earned premiums written at premium rates other than prima facie be converted to prima facie earned premiums.

a. Conversion Form CP-31 must be submitted to show the conversion of earned premiums that were written at other than the prima facie rates that became effective January 1, 2003.

b. The earned premium conversion Form CP-31 should show the maximum number of monthly benefits provided for each premium rate.

c. To convert premiums for a policy coverage that provides a maximum number of monthly benefits that does not match the Chapter 3 structure, use the prima facie premium rate for the closest number of benefits not exceeding the number provided by the policy (i.e., if the policy maximum is 20 monthly benefits, use the prima facie rate for 18 benefits; if 8 benefits, use the prima facie rate for 6 benefits).

d. If the coverage provides a lump-sum benefit without a monthly benefit, an actuarially equivalent prima facie rate should be used for the conversion.

3. **A separate Form CP-29 or CP-30 must be submitted for each premium rate only for experience at premium rates used prior to the implementation of prima facie rates.** Premium rates reported on Form CP-29 or CP-30 must reflect actual premium rates at which insurance was issued—not simply the maximum approved rate.

4. CP-29 and CP-30 should reflect business on a calendar-year basis only. Premiums for credit unemployment insurance should be shown in the company's Annual Statement on page 15.MD, line 31, with the designation of credit involuntary unemployment on one of the 3100 write-in lines.

5. The number of days of waiting period is required, along with an indication of whether the coverage is retro or non-retro (elimination).

6. Experience for “family leave” coverage must be separately reported on a CP-29 or CP-30.
7. Experience for lump sum benefit coverage must be separately reported on a CP-29 or CP-30.
8. **IF THERE IS ANY EXPERIENCE TO REPORT ON A GIVEN PAGE, EACH AND EVERY LINE ON THAT PAGE MUST BE COMPLETED. IT IS REQUIRED THAT COMPENSATION INFORMATION BE PROVIDED FOR LINES 14 AND 15.**
9. Please show dollars only (no pennies) except where rates are to be shown.
10. Please include a cover letter signed by an authorized person. Include the printed name of the signer and telephone number (800 number, if available), in case there are questions about the report.
11. Each form returned must be signed by an authorized person and should contain the name of the carrier and the City and State in which the home office is located.
12. Please do not file this report with the carrier’s Annual Statement.

Name of Carrier \_\_\_\_\_ NAIC \_\_\_\_\_

Location \_\_\_\_\_  
(City) (State)

INVOLUNTARY UNEMPLOYMENT BENEFIT EXPERIENCE EXHIBIT  
Business in the State of Maryland

Experience of Calendar Year Ending December 31, \_\_\_\_\_  
To be filed on or before June 30 of the following year

CLASS OF BENEFITS: Credit Union  Cash Loans  Family Leave   
Bank  Sales Finance

PREMIUM: \$\_\_\_\_\_ per \$100 of Initial Amount of Insurance per annum  
\$\_\_\_\_\_ per \$1,000 of Monthly Outstanding Balance  
\$\_\_\_\_\_ per \$10 of Monthly Payment  
\$\_\_\_\_\_ per \$100 of Initial Loan Amount  
\$\_\_\_\_\_ (Other)

POLICY FORM: \_\_\_\_\_ PLAN OF BENEFITS: \_\_\_\_\_ DAYS WAITING PERIOD  
RETRO  NON-RETRO   
LUMP SUM BENEFIT

- 1. Gross premiums received \_\_\_\_\_
- 2. Refund of premiums on terminated insurance \_\_\_\_\_
- 3. Net premiums received \_\_\_\_\_
- 4. Unearned premium reserve at beginning of period \_\_\_\_\_
- 5. Unearned premium reserve at end of period \_\_\_\_\_
- 6. Earned premiums (1-2 + 4-5) \_\_\_\_\_
- 7. Prima facie earned premiums \_\_\_\_\_
- 8. Claims paid \_\_\_\_\_
- 9. Claim reserve at beginning of period \_\_\_\_\_
- 10. Claim reserve at end of period \_\_\_\_\_
- 11. Claims incurred (8-9 + 10) \_\_\_\_\_
- 12. Loss ratio (11) ÷ (6) \_\_\_\_\_
- 13. Prima facie loss ratio (11) ÷ (7) \_\_\_\_\_
- 14. Dividends and experience rating refunds \_\_\_\_\_
- 15. All other commissions, compensation, and remuneration to creditors or producers \_\_\_\_\_
- 16. Total of items (14) and (15) \_\_\_\_\_
- 17. Ratio (16) ÷ (3) \_\_\_\_\_
- 18. Total ratio (13 + 17) \_\_\_\_\_

(Signed) \_\_\_\_\_

(Title) \_\_\_\_\_

(Date) \_\_\_\_\_

CREDIT INVOLUNTARY UNEMPLOYMENT BENEFIT INSURANCE

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

CASE METHOD

CARRIER: \_\_\_\_\_

CASE: Name \_\_\_\_\_  
 Address \_\_\_\_\_

Group  or Individual   
 Acct. No. \_\_\_\_\_  
 Policy Form No. \_\_\_\_\_

CLASS OF BENEFITS: Credit Union  Cash Loans   
 Bank  Sales Finance

PLAN OF BENEFITS: Single  or Joint

PREMIUM BASIS: Outstanding Balance  Single

OTHER: \_\_\_\_\_

Is this account an open end credit insurance revolving charge account?  
 Yes  No

Has this account been insured with the company for the entire experience period?  
 Yes  No

If not, when did the company acquire this account? \_\_\_\_\_

CASE EXPERIENCE

Calendar Years \_\_\_\_\_ through \_\_\_\_\_

1. Gross premiums received \_\_\_\_\_
2. Refunds of premiums on terminated insurance \_\_\_\_\_
3. Net premiums received \_\_\_\_\_
4. Unearned premium reserve at beginning of period \_\_\_\_\_
5. Unearned premium reserve at end of period \_\_\_\_\_
6. Earned premiums (1-2 + 4-5) \_\_\_\_\_
7. Prima Facie earned premiums \_\_\_\_\_
8. Claims paid \_\_\_\_\_
9. Claim reserve at beginning of period \_\_\_\_\_
10. Claim reserve at end of period \_\_\_\_\_
11. Claims incurred (8-9 + 10) \_\_\_\_\_
12. Loss ratio (10) ÷ (6) \_\_\_\_\_
13. Prima facie loss ratio (10) ÷ (7) \_\_\_\_\_
14. Dividends and experience rating refunds \_\_\_\_\_
15. All other commissions, compensation, and remuneration to creditors or producers \_\_\_\_\_
16. Total of items (14) and (15) \_\_\_\_\_
17. Ratio (16) ÷ (3) \_\_\_\_\_
18. Total Ratio (13 + 17) \_\_\_\_\_

CREDIT INVOLUNTARY UNEMPLOYMENT BENEFIT INSURANCE

CASE RATES

19. Prima Facie Loss Ratio (line 13)  
(Acceptance Range  $\pm$  3% of a loss ratio of 55%) \_\_\_\_\_

If Prima Facie Loss Ratio is above acceptance range:

20. Upward deviation factor (Use formula in  
Regulation .12 of COMAR 31.13.03) \_\_\_\_\_  
[(line 13 - .55) x 1.41] + 1

Do you propose to apply for an upward deviation? Yes  No   
If Yes, formal application must be made in the cover letter.

21. If Prima Facie Loss Ratio is below acceptance range:

Downward deviation factor (line 13  $\div$  .55) \_\_\_\_\_  
(Maximum downward deviation is 40% of prima  
facie rates)

(Signed) \_\_\_\_\_ (Title) \_\_\_\_\_  
(Date) \_\_\_\_\_

Name of Carrier\_\_\_\_\_

NAIC \_\_\_\_\_

Location\_\_\_\_\_
(City) (State)

CREDIT INVOLUNTARY UNEMPLOYMENT BENEFIT INSURANCE STATISTICAL REPORT
STATE OF MARYLAND
CONVERSION TO PRIMA FACIE EARNED PREMIUM

Class of Business\_\_\_\_\_

Calendar Year\_\_\_\_\_

Premium Mode\_\_\_\_\_

Plan of Benefits\_\_\_\_\_

Credit Involuntary Unemployment Benefit Insurance

(Col.2 x .3)
div Col.4 =

Table with 5 columns: Maximum Number Monthly Benefits, Actual Earned Premiums, \* Prima Facie Rate, \* Actual Premium Rate, Prima Facie Earned Premium. Includes rows for 'Earned premiums at prima facie rate' and 'Earned premium at other than prima facie rates'.



(continued)

<u>Maximum Number Monthly Benefits</u>	<u>Actual Earned Premiums</u>	<u>* Prima Facie Rate</u>	<u>* Actual Premium Rate</u>	<u>Prima Facie Earned Premium</u>
<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals	_____	XXX	XXX	_____
	To Line 6			To Line 7

\*Single premium, use the prima facie rate per \$10 of monthly benefit applicable to the lowest term of indebtedness for which the maximum number of monthly benefits provided is permitted (i.e., if the maximum number of monthly benefits provided is 9, use the rate of \$2.185).  
Outstanding balance, use rate per \$10 of monthly benefit.

(Signed) \_\_\_\_\_ (Title) \_\_\_\_\_  
(Date) \_\_\_\_\_

Premiums   
 Single   
 Outstanding Balance

MARYLAND CREDIT INVOLUNTARY UNEMPLOYMENT EXPERIENCE FOR CALENDAR YEAR \_\_\_\_\_  
 To Be Filed on or Before June 30 of the Following Year  
 Reconciliation with Page 15.MD Annual Statement

*GROUP DIRECT*

	Written Premiums	Earned Premiums	Paid Claims	Incurred Claims
<i>CREDIT I.U.B. INSURANCE</i>				
1. 30-day retro				
2. 30-day non-retro				
3. 90-day lump sum				
4. 180-day lump sum				
5. Other				
6. Total – I.U.B. Insurance				
7. Page 15.MD Annual Statement				

Premiums   
 Single   
 Outstanding Balance

*INDIVIDUAL DIRECT*

	Written Premiums	Earned Premiums	Paid Claims	Incurred Claims
<i>CREDIT I.U.B. INSURANCE</i>				
1. 30-day retro				
2. 30-day non-retro				
3. 90-day lump sum				
4. 180-day lump sum				
5. Other				
6. Total – I.U.B. Insurance				
7. Page 15.MD Annual Statement				

- Notes:
- a. Enter data from the appropriate lines from each of the experience exhibits.
  - b. Totals. Line 6 shall be reconciled with those on page 15.MD of the Annual Statement.
  - c. Data on this page and each experience exhibit should be separated by method of premium payments; i.e., outstanding balance, single.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Company