

CESSION EDIT PACKAGE

A. Introduction

The cession record is the most critical component to gaining CAR coverage on a ceded policy. While the premium is also important, submitting cession records in a timely manner can mean the difference between full CAR coverage and only partial CAR coverage.

To ensure that companies code the cession record correctly, CAR performs fatal and non-fatal editing against each cession record. These editing routines are described in section V.

To assist the industry in monitoring all cession activity and correcting any cession errors, CAR provides various access tools through its telecommunications system. While this package illustrates many of the screens contained in the telecommunications system, please reference CAR's Telecommunications Manual for additional information.

Using the company number, policy number, and policy effective year, CAR matches the cession record to the ceded premium and loss records with the same key. This allows for additional editing and verification among all aspects of a ceded record. For more specific information about additional accounting system edits, please reference the Policy Edit Package.

The CAR Cession Edit Package is designed to help identify all facets of the cession record, to de-mystify CAR's on-line cession application, and to better understand the fatal and non-fatal cession edits.

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B. General Cession Information

There are four valid cession transaction types defined below. If a cession record contains a transaction type value not equal to any described below, then CAR does not accept that cession record.

- TX1 = New Business. (New business to the company not new ceded business to CAR).
- TX2 = Renewal Business. (Renewal business to the company not renewal to CAR).
- TX4 = Flat Cancellation. (Policy not taken by the company).
- TX5 = Uncede. (Termination of a ceded policy to write it voluntarily).

CAR classifies cessions into four different categories. When using the telecommunications systems, it is helpful to understand the different classifications.

- Adds: New cessions submitted to CAR (includes all transaction types noted above).
- Corrections: Records created as a result of a change to an existing cession record.
- Delete: Deactivation of a duplicate cession record or of an invalid TX4/TX5 record.
- Nulls: Deactivation of TX1/TX2 cession by the submission of matching TX4/TX5 cession.

Companies may submit cession records using three different methods which are outlined below. Please reference the Manual of Administrative Procedures for specific information on reporting requirements.

- FTP: Electronic transmission.
- Cartridge: Must use 3480 cartridge.
- Manual Entry: Manual entry using CAR's telecommunications system

As you enter or submit cession data, it is loaded to a temporary file. Every Friday night, CAR loads all cession records to its permanent database file. This schedule deviates four times per year at the end of each quarter when the cession load may be scheduled closer to the quarter end date regardless of the day of the week. You may view cessions appearing on the temporary file using the "Browse Pending Cessions" option within the telecommunications system. After CAR has loaded them, you may view them via the "Applied Cessions" option within CAR's telecommunications system.

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C. Components of a Cession Record

There are many fields that make up the cession record. It combines fields provided by the company and fields generated by CAR for additional information. The example below defines the fields and all possible values for the CAR generated switches. You can access these screens in CAR's telecommunications system as part of either the cession system or accounting system.

EXAMPLE OF CESSION RECORD

Screen 1

REC NO	T	EFF MM/DD	RECEIPT MM/DD/YY	P	EXPIRE MM/DD/YY	LOAD MM/DD/YY	DEACT MM/DD/YY	BD	C	PROD	RK	A	INF	MED	RT
1	2	10/08	09/05/06	1	10/08/02	09/08/06	00/00/00	0	4	999000	0	0	1	85	0

Screen 2

REC NO	INSUREDS NAME	ACTIV LST MM/DD/YY	ERROR LST MM/DD/YY	ES	NULL NUM	CORR NUM	XR EY	ERROR CODES OR CROSS-REF POLICY #
1	ANY INSURED	09/08/06	09/08/06	1	000	000		5

Field	Description	Possible Values
REC NO	Record Number	CAR assigns a number to each cession on a policy
T	Transaction Code	Transaction 1 = New Business Transaction 2 = Renewal Business Transaction 4 = Flat Cancellation Transaction 5 = Uncede
EFF	Effective Month and Day	Effective date provided by the company
RECEIPT	Receipt Date	Date that CAR received the cession
P	Date Pointer	Blank or 0 = No cession coverage 1 = Coverage as of the policy effective date 2 = Coverage as of the cession receipt date
EXPIRE	Expiration Date	Expiration date provided by the company
LOAD	Load Date	Date that CAR loaded the cession to its permanent database file.
DEACT	Deactivate Date	Date the cession became inactive via TX4, TX5, delete, or correction.
BD	Backdate Switch	0 = No autobackdate 1 = Automatic backdate eligible but not needed 2 = Automatic backdate granted due to late cession
C	CAR ID Code	4 = Voluntary agent 5 = ERP agent

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C. Components of a Cession Record (continued)

Field	Description	Possible Values
PROD	Producer Code	Producer Code coded on the cession record
RSK	Risk Indicator	0 = Private Passenger 1 = Taxi/Limo/CAR Service 2 = All Other Commercial
A	Activity Status	0 = Active cession 1 = Cession was deleted 3 = Cession was corrected 4 = Cession was nulled by a TX4 cession 5 = Cession was nulled by a TX5 cession
INF	Inforce Cession	0 = Not the inforce cession 1 = Inforce cession (Cession that matches to premium and loss records and CAR coverage).
MED	Media Type	00-19 = Cession submitted via tape 60-84 = Cession manually entered online 85-99 = Cession submitted via FTP
RT	Record Type	0 = Cession add 3 = Cession correction
INSUREDS NAME	Insured's Name	Name coded on the cession record
ACTIV LST	Activity List Date	Date the cession appeared on the online add listing
ERROR LST	Error List Date	Date the cession appeared on the online error list
ES	Error Status	0 = No error 1 = Error listed
NULL NUM	Nullify Number	On TX4/TX5 cession, states which record number it nulled.
CORR	Correction Number	On a cession correction, states which record number it corrected.
XR YR	Cross Reference Eff Yr	Indicates the policy year the cession moved to.
ERROR CODES or CROSS-REF POLICY #	Error Code or Cross Reference Policy Number	Indicates either the non-fatal cession error on the record or the policy number the cession moved to.

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D. Cession Processing Schedule and Telecommunications Functions

The table below shows CAR's daily and weekly processing schedule.

Day of Week	Activity
Daily	Process and load cessions (all media types) and cession corrections to the temporary cession suspense file. The data can be viewed using the 'Browse Pending' function within the cession application of the telecommunications system.
Monday	The telecommunications cession application reflects the new activity, corrections applied, and error records loaded to the permanent files from the previous week.
Friday	Cessions are loaded to the permanent database files.

Online Functions within the Telecommunications System

The main menu of the cession online system (shown below) serves as the platform from which to jump into any of the nine cession functions. To access any of the error or informational screens, type in your company number and press the appropriate PF function key.

```

*** INPUT A DATE IF NEEDED ***
-----
CR100SA                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
COMPANY: ____          CESSION MENU                                     11:00:28

BROWSE
- APPLIED CESSIONS W/LOAD DATE 09 22 2006 ..... PF2  OR 02
                        MM DD YYYY
- ACTIVE CESSIONS ..... PF3  OR 03
- BROWSE BY PRODUCER ..... PF4  OR 04
- BROWSE PENDING ..... PF5  OR 05

CORRECT / ADD
- ERRORS WITH LIST DATE 09 22 2006 ..... PF6  OR 06
                        MM DD YYYY
- CORRECT CESSION BY KEY ..... PF8  OR 08
- ADD CESSION RECORDS ..... PF9  OR 09

- CESSION MESSAGE BOARD LAST UPDATED 05 19 2004 PF10 OR 10
- REVIEW/UPDATE POLICY MESSAGES ..... PF11 OR 11
                        :  _  :

PF01/01 HELP                                PF12/12 EXIT

```

The nine functions are described in detail below on the following pages.

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D. Cession Processing Schedule and Telecommunications Functions (continued)

- Applied Cessions W/ Load Date

This function lists all cessions added to the cession database by specific cession load date. You can type over the load date to view the cessions for any date during the current three processing years. Use this function in conjunction with your cession verification procedures to be sure that CAR received all cessions submitted during the prior week. Within the function you can review adds cessions, correction cessions, and delete & null cessions separately. The screen below shows the list of cessions loaded to CAR's database file on 9/22/2006. To view a summary total by date received and media type, please press PF9 to see the second screen below.

```

CR156SC                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
COMPANY: 999                APPLIED ADDS                02:37:48
                ANY INSURANCE COMPANY
CESSN LOAD DATE: 09/22/2006                START WITH DATE RECEIVED = YYMMDD: 060714
                R                A                A                C                E
                EFF DT EXP DT DT RCV DT S T                B MED C REC I PROD R
POLICY NUMBER            YYMMDD YYMMDD YYMMDD PT K X INS NM S TYP T NO D CODE R
* 123CZT                060630 070630 060714 1 2 1 ANY INSU 61 0 002 4 523 1
  123BJK                060726 070726 060915 2 0 1 ANY INSU 85 0 001 5 91Z 0
  123TPP                061014 071014 060915 1 0 1 ANY INSU 85 0 001 5 90S 0
  123VLC                061014 071014 060915 1 0 1 ANY INSU 85 0 001 5 92K 0
  123YGR                061016 071016 060915 0 0 5 ANY INSU 60 0 002 5 91P 0
  123398                060911 070911 060915 1 0 1 ANY INSU 85 0 001 5 92K 0
  123411                060913 070913 060915 1 0 1 ANY INSU 85 0 001 5 92K 0
  123412                060913 070913 060915 1 0 1 ANY INSU 85 0 001 5 92K 0
  123413                060913 070913 060915 1 0 1 ANY INSU 85 0 001 5 92K 0
  123793                060914 070914 060915 1 0 1 ANY INSU 85 0 001 5 91P 0
  123794                060913 070913 060915 1 0 1 ANY INSU 85 0 001 5 91P 0
  123795                060914 070914 060915 1 0 1 ANY INSU 85 0 001 5 91P 0
* THIS CESSION HAS BEEN AWARDED A CESSION DATE OTHER THAN THE EFFECTIVE DATE
: _ :
PF1/01 HELP    PF7/07 BACKWARD    PF8/08 FORWARD    PF9/09 TOTALS    PF12/12 EXIT
    
```

```

CR156SB                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
                CR156 - CESSION BATCH TOTALS                02:43:50
COMPANY: 999                LOAD DATE: 09/22/2006
                ANY INSURANCE COMPANY
                BATCH            CESSION            DATE            SUSPENSE
                NO TYPE            TOTAL            RECEIVED            LOAD DATE
  61 03                1            07/14/2006        09/19/2006
  60 01                4            09/15/2006        09/15/2006
  61 01                8            09/15/2006        09/15/2006
  62 01                1            09/15/2006        09/15/2006
  85 01                29           09/15/2006        09/15/2006
  60 01                1            09/18/2006        09/18/2006
  61 01                4            09/18/2006        09/18/2006
  85 01                96           09/18/2006        09/18/2006
  60 01                31           09/19/2006        09/19/2006
  61 01                7            09/19/2006        09/19/2006
  85 01                75           09/19/2006        09/19/2006
  60 01                7            09/20/2006        09/20/2006
PF1/01 HELP    PF7/07 BACKWARD    : _ :    PF8/08 FORWARD    PF12/12 EXIT
    
```

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D. Cession Processing Schedule and Telecommunications Functions (continued)

- Active Cessions

The active cessions function lists all cessions for the three most current cession reporting years. They are listed in policy number order and the screen indicates if premium exists on the policy and if it contains a non-fatal error. Please see the screen shot below for an example.

```

CR170SA                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
COMPANY: 999           CR170 - ACTIVE CESSIONS                        14:47:27
ANY INSURANCE COMPANY                START W/EFF YR 04
I                                     R                POL NO 123431                REC NO 001
N                                     EFF DT EXP DT S T                CAR PROD DT DT RCV                REC ER
F POLICY NUMBER                YYMMDD YYMMDD K X INSURED NM ID CODE PT YYMMDD PREM NO R
1 123431                040508 050508 0 2 ANY INSURE 4 132 1 040426 Y 001 0
1 129539                040518 050518 0 2 ANY INSURE 4 404 1 040426 Y 001 0
1 120690                040518 050518 2 2 ANY INSURE 4 875 1 040426 Y 001 0
* 1 122147                040523 050523 0 2 ANY INSURE 4 125 2 041006 Y 001 0
1 126055                040617 050617 0 2 ANY INSURE 4 089 1 040524 Y 001 0
1 127495                040727 050727 2 2 ANY INSURE 4 282 1 040628 Y 001 0
1 122862                041006 051006 0 2 ANY INSURE 4 343 1 040920 Y 001 0
1 125311                041002 051002 0 2 ANY INSURE 4 707 1 040920 Y 001 0
0 127185                041001 051001 0 5 ANY INSURE 5 211 040928 - 002 0
1 127197                041027 051027 0 2 ANY INSURE 5 211 1 040920 Y 001 0
1 127620                041105 051105 0 2 ANY INSURE 4 703 1 041007 Y 001 0
0 129359                041117 051117 0 5 ANY INSURE 4 892 041026 - 002 0
* THIS CESSION HAS BEEN AWARDED A CESSION DATE OTHER THAN THE POL EFF DATE.
: _ :
PF1/01 HELP                PF7/07 PAGE BACK                PF8/08 PAGE FORWARD                PF12/12 EXIT
    
```

- Browse by Producer

The 'Browse by Producer' option lists all cessions added to CAR's system for a specific producer code. The two screens below show the input screen and the results screen. You can enter as much or as little information on the input screen as you wish. That is, not every field must be entered.

```

CR140SA                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
COMPANY: 999           PRODUCER CODE BROWSE                        02:55:47
ANY INSURANCE COMPANY
ENTER SPECIFIC INFORMATION BELOW
PRODUCER CODE: 892___
CAR ID CODE: _
EFFECTIVE YEAR: 2004
AUTO BACK DATE SW: _
: _ :
PF1/01 HELP                PF3/03 PROCESS                PF12/12 EXIT
    
```

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D. Cession Processing Schedule and Telecommunications Functions (continued)

```

CR140SB          COMMONWEALTH AUTOMOBILE REINSURERS          09/27/2006
COMPANY: 999          PRODUCER CODE BROWSE          02:57:51
          ANY INSURANCE COMPANY          PAGE: 01
          R          C          A E
          EFF DT EXP DT DT RCV DT S T          MED REC I PROD B R
POLICY NUMBER      YYMMDD YYMMDD YYMMDD PT K X INSURED NM TYP NO D CODE D R
123359             041117 051117 041026 0 0 5 ANY INSURE 60 002 4 892 0 0
123570             040928 050928 040823 1 0 2 ANY INSURE 85 001 4 892 0 0
123638             041023 051023 041004 0 0 5 ANY INSURE 63 002 4 892 0 0
123741             040708 050708 040628 1 0 2 ANY INSURE 85 001 4 892 0 0
123070             041211 051211 041122 1 0 2 ANY INSURE 85 001 4 892 0 0
123100             040709 050709 040714 1 0 1 ANY INSURE 85 001 4 892 0 0
123109             040910 050910 040915 1 0 1 ANY INSURE 85 001 4 892 0 0
123996             040922 050922 040823 1 2 2 ANY INSURE 85 001 4 892 0 0
123898             040801 050801 040603 1 2 2 ANY INSURE 61 001 4 892 0 0
123701             040918 050918 040823 1 2 2 ANY INSURE 85 001 4 892 0 0
* 123638           040430 050430 040604 2 2 1 ANY INSURE 60 001 4 892 0 0
123347             041114 051114 041130 1 0 1 ANY INSURE 85 001 4 892 0 0
          : _ :
PF1/01 HELP          PF7/07 BACKWARD          PF8/08 FORWARD          PF12/12 EXIT
    
```

- **Browse Pending**

The 'Browse Pending' option lists all cession records added during the week to the temporary suspense file. These are the cessions that CAR will load to its permanent database file with the next cession load. The screen below shows an example of the pending file.

```

CR151SA          COMMONWEALTH AUTOMOBILE REINSURERS          09/27/2006
COMPANY: 999          PENDING CESSION ADDS          03:02:55
          ANY INSURANCE COMPANY          POL NO 122862
CAR
ID POLICY NUMBER      DTE RCV          POL EFF          POL EXP          MED          PROD
          MM/DD/YYYY      MM/DD/YYYY      MM/DD/YYYY      RSK TX TYP          CODE
4  122862             09/25/2006      10/06/2006      10/06/2007      0 2 86          343
          INSURED NAME ANY INSURED
5  127197             09/25/2006      10/27/2006      10/27/2007      0 2 86          211
          INSURED NAME ANY INSURED
5  12BBJQ             09/25/2006      07/25/2006      07/25/2007      0 1 87          91Z
          INSURED NAME ANY INSURED
5  12BCTM             09/26/2006      09/05/2006      09/05/2007      0 1 85          90X
          INSURED NAME ANY INSURED
5  12BDGB             09/25/2006      09/15/2006      09/15/2007      0 1 87          91Z
          INSURED NAME ANY INSURED
5  12BDPJ             09/25/2006      10/01/2006      10/01/2007      0 1 87          91R
          INSURED NAME ANY INSURED
5  12BQMC             09/22/2006      10/06/2006      10/06/2007      0 5 60          92K
          INSURED NAME LE NG
          : _ :
PF1/01 HELP          PF7/07 PAGE BACK          PF8/08 PAGE FORWARD          PF12/12 EXIT
    
```


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D. Cession Processing Schedule and Telecommunications Functions (continued)

• Errors with List Date

This function lists all cessions that contain a non-fatal cession error by specific list date. You can type over the list date to view the cessions errors for any date during the current three processing years. Use this function to correct cession errors. An example of the cession error screen is shown below.

```
CR157SA                C.A.R. CESSION ERROR LISTING                09/27/2006
COMPANY: 999          STARTING LIST DTE: 09/22/2006          03:58:03
                    ANY INSURANCE COMPANY                (MM/DD/YYYY) POL NO 123NYK
                                R
CAR
ID  POLICY NUMBER      POL EFF  POL EXP  S  T          PROD  RECEIPT REC POL
   MM/DD/YY  MM/DD/YY  K  X  INS'S NAME  CODE  MM/DD/YY  NO  MSG
- 4 123NYK            08/24/06 08/24/07 2  1  ANY INSURED 629  09/12/06 001
      ERRORS          08
- 4 123NYK            08/24/06 08/24/07 2  1  ANY INSURED 629  09/20/06 002
      ERRORS          08
- 4 123RLH           08/25/06 08/25/07 2  1  ANY INSURED 75P  09/11/06 001
      ERRORS          08
- 4 123RLH           08/25/06 08/25/07 2  1  ANY INSURED 75P  09/20/06 002
      ERRORS          08
- 5 123VTM           08/25/06 08/25/07 0  1  ANY INSURED 687  09/15/06 001
      ERRORS          08
  5 123VTM           08/25/06 08/25/07 0  1  ANY INSURED 687  09/18/06 002
PENDING CORRECTION
X - MARK THE CESSION TO BE CORRECTED
                                :  _  :
PF3/03 CORRECT REC  PF7/07 PAGE BCK  PF11/11 POLICY MESSAGE
PF1/01 HELP  PF4/04 DELETE REC  PF8/08 PAGE FWD  PF12/12 EXIT
```

• Correct Cession By Key

This function allows you to change one or more fields of a cession record that is not in error. For example, if you need to change an Insured's Name or a Producer Code, you would do this using this function. When you select this option, you need to input the information requested, select the appropriate PF key, and then type in the cession information. Please see the screen shots below.

```
CR180SA                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
COMPANY: 999          CESSION CORRECTION BY KEY                04:04:52
                    ANY INSURANCE COMPANY
PLEASE ENTER THE KEY FOR THE CESSION TO BE CORRECTED / DELETED
POLICY NUMBER        123896_____
EFFECTIVE YEAR       2006
RECORD NUMBER        001
TRANSACTION TYPE     C          C=CORRECTION / D=DELETE
                                :  _  :
F1/01 HELP          PF3/03 CESSION DETAIL                PF12/12 EXIT
```

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D. Cession Processing Schedule and Telecommunications Functions (continued)

```
CR600SA          COMMONWEALTH AUTOMOBILE REINSURERS          09/27/2006
COMPANY: 999          CESSION RECORD - CORRECT          04:08:46
          ANY INSURANCE COMPANY          REC NO 001  RCPT DTE 08/21/2006
CAR          POL EFF DT  POL EXP DT          PROD
ID POLICY NUMBER  MM/DD/YYYY MM/DD/YYYY RSK TX INSURED'S NAME  CODE
5 123896          09/24/2006 09/24/2007 0 2 NOYES CARO          2J0
( . . . . . )

ERROR
CODE      DESCRIPTION
06 PRODUCER CODE / TYPE OF BUSINESS INVALID
07 INVALID DATE FOR PRODUCER CODE

PF01/01  HELP          : _ :          PF09/09 PRODUCER INQUIRY
PF3/03   APPLY CORRECTION          PF10/10 POLICY HISTORY
          PF11/11 POLICY MESSAGE          PF12/12 EXIT
```

- **Add Cession Records**

Use this function to add new cession records to CAR's database file. Upon applying the new cession, the system will notify you of any errors on the cession record. Cessions that contain a non-fatal cession error may be added and corrected at a later date. Please see the screen shots below.

```
CR600SA          COMMONWEALTH AUTOMOBILE REINSURERS          09/27/2006
COMPANY: 999          CESSION RECORD - ADD          04:12:57
          ANY INSURANCE COMPANY          REC NO          RCPT DTE 09/27/2006
CAR          POL EFF DT  POL EXP DT          PROD
ID POLICY NUMBER  MM/DD/YYYY MM/DD/YYYY RSK TX INSURED'S NAME  CODE
( . . . . . )

ERROR
CODE      DESCRIPTION

PF01/01  HELP          : _ :          PF09/09 PRODUCER INQUIRY
PF3/03   APPLY ADD          PF10/10 POLICY HISTORY
          PF11/11 POLICY MESSAGE          PF12/12 EXIT
```

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D. Cession Processing Schedule and Telecommunications Functions (continued)

```

NON FATAL ERROR FOUND  PF4 TO APPLY, PF5 TO REDO, PF12 TO QUIT
-----
CR600SA                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
COMPANY: 999            CESSION RECORD - ADD                        04:15:01
      ANY INSURANCE COMPANY                REC NO                RCPT DTE 09/27/2006
      CAR                POL EFF DT        POL EXP DT                PROD
      ID POLICY NUMBER    MM/DD/YYYY      MM/DD/YYYY RSK TX INSURED'S NAME    CODE
( 4 123456              09 30 2006    09 30 2007    0 1 ANY INSURED                123456 )

ERROR
CODE      DESCRIPTION
05 INVALID PRODUCER CODE

PF01/01  HELP                :  _  :                PF09/09 PRODUCER INQUIRY
PF4/04   APPLY  ADD          :  _  :                PF10/10 POLICY HISTORY
                                PF11/11 POLICY MESSAGE    PF12/12 EXIT

```

• Cession Message Board

The Cession Message Board is updated periodically to notify users of any current cession issues or any other helpful information.

```

CR300SA                COMMONWEALTH AUTOMOBILE REINSURERS                09/27/2006
                                CESSION MESSAGE BOARD                16:19:49
                                UPDATED: 09/27/2006

LAST LIST DATE: 09/22/2006                LAST LOAD DATE: 09/22/2006

*****
*
* IN ORDER TO AVOID THE $60 NOVEMBER 2006 CESSION NO PREMIUM PENALTIES,
* COMPANIES SHOULD INCLUDE PREMIUM CORRECTIONS IN THEIR SEPTEMBER 2006
* MONTHLY ACCOUNTING SHIPMENT WHICH IS DUE AT CAR ON NOVEMBER 15, 2006.
*
*
*
*
*
*
*
*****

ENTER PFKEY/OPTION
      :  _  :                PF12/12 - EXIT MESSAGE BOARD

```

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D. Cession Processing Schedule and Telecommunications Functions (continued)

- Review/Update Policy Messages

Use this function to keep track of information on specific cession records. It is typically used as a 'notes' function for personnel within an insurance company.

```
CO950PR                COMMONWEALTH AUTOMOBILE REINSURERS                CO950SA
                        ACCOUNTING ONLINE CORRECTIONS                09/27/2006
COMPANY: 999                POLICY MESSAGE BROWSE                04:22 PM
EFF YEAR: 2006                WRITTEN BY S999 09/25/2006
POLICY #: 123713                UPDATED BY S999 09/26/2006

*****
* CESSION TO BE DELETED DUE TO DUPLICATE ERROR.                *
*                *
*                *
*                *
*                *
*                *
*                *
*                *
*                *
*                *
*****
PF1/01 - HELP                : _ :                PF4/04 - UPDATE MESSAGE
PF7/07 - PAGE BACKWARD        PF8/08 - PAGE FORWARD        PF12/12 - RETURN TO MENU
```

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E. Fatal Cession Edits

CAR performs 18 fatal edit routines against all cession records. If a cession contains a fatal error, CAR does not load it to its permanent cession database file. Instead, it rejects the cessions and the Servicing Carrier must resubmit it in another submission. When entering cessions directly through the telecommunications system, the system notifies the user of a fatal error and doesn't accept the cession. Fatal cessions that come from a cartridge or via FTP are printed on a CR140 report and mailed to the company for notification and resubmission.

Fatal Error Codes	Edit Name
Error Code 1	Effective Year Invalid
Error Code 2	Company Number / Effective Year Invalid
Error Code 3	This error code is obsolete.
Error Code 4	Ineligible to Report Policy Effective Date
Error Code 5	Date Received Invalid
Error Code 6	CAR ID Code Invalid
Error Code 7	Risk Code Invalid
Error Code 8	Market Indicator / Servicing Carrier Invalid
Error Code 9	Transaction Code Invalid
Error Code 10	State Code Invalid
Error Code 111	Record Type Invalid
Error Code 12	No Matching Record
Error Code 13	Matching Record Not Active
Error Code 14	Correction Not Allowed

❑ **Fatal Error Code 1 -- Effective Year Invalid**

The effective year on all cession records must equal one of the three current reporting years. The current cession reporting years run in conjunction with the statistical reporting years for premium records. Please use the table below as reference.

Policy Effective Year	Reportable until the following dates:
2004	February 15, 2007
2005	February 15, 2008
2006	February 15, 2009
2007	February 15, 2010
2008	February 15, 2011
2009	February 15, 2012

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E. Fatal Cession Edits (continued)

❑ **Fatal Error Code 2 -- Company Number / Effective Date Invalid**

The company number on all cession records must equal a valid company number and must be three digits in length.

The effective date on all cession records must be valid:

Effective month must equal 01-12

Effective day must equal 01-31.

❑ **Fatal Error Code 3 -- No Sequence 20 Record on File**

This edit became obsolete so is no longer a valid edit.

❑ **Fatal Error Code 4 -- Ineligible to Report Policy Effective Date**

The effective date on all cessions must be within the start and stop date bounds for each company. The edit checks against CAR's company file for the relative information.

❑ **Fatal Error Code 5 -- Date Received Invalid**

Servicing Carriers can report a cession not longer than 90 days prior to the policy effective date.

❑ **Fatal Error Code 6 -- CAR ID Code Invalid**

The CAR ID Code on all cession records must be a valid CAR ID Code for that effective year, effective month, and company number. The valid CAR ID Codes currently are 4 and 5.

❑ **Fatal Error Code 7 -- Risk Code Invalid**

The risk indicator on all cessions must equal one of the codes listed below.

0 = Private Passenger

1 = Taxicab/Limousine/CAR Service

2 = All Other Commercial

CESSION EDIT PACKAGE

E. Fatal Cession Edits (continued)

❑ **Fatal Error Code 8 -- Market Indicator/Servicing Carrier Invalid**

The risk indicator coded on the cession record must be valid for the Servicing Carrier. The edit checks against CAR's company file that the Servicing Carrier is eligible to cede the type of business the risk indicator denotes.

❑ **Fatal Error Code 9 -- Transaction Code Invalid**

The transaction code on all cession records must equal one the codes listed below.

- 1 = New Business
- 2 = Renewal Business
- 4 = Cancellation
- 5 = Uncede

❑ **Fatal Error Code 10 -- State Code Invalid**

The state code on all cartridge and FTP submissions must equal 20.

❑ **Fatal Error Code 11 -- Record Type Invalid**

The record type reported on a cession correction record must equal one of the codes listed below.

- 1 = Delete (all fields must be blank)
- 3 = Correction (at least one field must contain a corrected value)

❑ **Fatal Error Code 12 -- No Matching Record**

For each cession correction or cession delete record reported, an active cession record must exist on CAR's file for it to match against. If the activity status on the previously reported cession record must equal 0.

CESSION EDIT PACKAGE

E. Fatal Cession Edits (continued)

❑ **Fatal Error Code 13 -- Matching Record Not Active**

For each cession correction or cession delete record reported, an active cession record must exist on CAR's file for it to match against. That is, the original record must not have been corrected, deleted, or nulled by a TX4 or TX5 cession previously.

❑ **Fatal Error Code 14 -- Correction Not Allowed**

CAR does not allow cession corrections under the following conditions:

- Company number corrections
- Changes to the policy number or effective year on TX4 or TX5 cessions
- Transaction 1 or 2 cessions may not be changed to transaction 4 or 5 cessions
- Transaction 4 or 5 cessions may not be changed to transaction 1 or 2 cessions
- Transaction 4 cessions may not be changed to transaction 5 cessions and vice versa

Other error in which correction activity is limited are listed below:

- Non Fatal Error Code 9: Effective Date Inconsistent on Transaction 4
Effective date correction allowed.
- Non Fatal Error Code 10: Effective Date Inconsistent on Transaction 5
Effective date correction allowed.
- Non Fatal Error Code 11: Date Received Invalid with Effective Date for TX5
Delete only allowed.
- Non Fatal Error Code 12: Transaction 5 Invalid For Producer
Producer code correction allowed.
CAR ID code correction allowed.
- Non Fatal Error Code 13: Premium Reported on Transaction 5
Delete only allowed.
- Non Fatal Error Code 14: No Matching Record for Transaction 4
Delete only allowed.
- Non Fatal Error Code 15: Matching Record not active for Transaction 4
Delete only allowed.
- Non Fatal Error Code 16: No Matching Record for Transaction 5
Delete only allowed

CESSION EDIT PACKAGE

E. Fatal Cession Edits (continued)

- Non Fatal Error Code 17: Matching Record not active for Transaction 5
Delete only allowed.
- Non Fatal Error Code 18: Risk Indicator Inconsistent on Transaction 5
Delete only allowed.

CESSION EDIT PACKAGE

F. Non-Fatal Cession Edits

CAR performs 18 non-fatal edit routines against all cession records. A non-fatal cession error means the cession record contains a minor error that needs to be corrected. Because these cessions have only a minor error, CAR does not deem them unprocessable and loads them to its permanent database file in order to provide CAR coverage when appropriate.

Non-Fatal Error Codes	Edit Name
Error Code 1	Policy Number Invalid
Error Code 2	Policy Expiration Date Invalid
Error Code 3	Expiration Date Invalid with Effective Date
Error Code 4	Insured's Name Invalid
Error Code 5	Invalid Producer Code
Error Code 6	Risk or Month Invalid for Producer
Error Code 7	Invalid Date for Producer
Error Code 8	Duplicate Policy Number/Effective Date
Error Code 9	Effective Date Inconsistent on Transaction 4 Cession
Error Code 10	Effective Date Inconsistent on Transaction 5 Cession
Error Code 11	Date Received Invalid with Effective Date for TX5
Error Code 12	Transaction 5 Invalid For Producer
Error Code 13	Premium/Loss Reported on Transaction 5
Error Code 14	No Matching Record for Transaction 4
Error Code 15	Matching Record Not Active for Transaction 4
Error Code 16	No Matching Record for Transaction 5
Error Code 17	Matching Record Not Active for Transaction 5
Error Code 18	Risk Indicator Inconsistent on Transaction 5

❑ **Non-Fatal Error Code 1 -- Policy Number Invalid**

The policy number must be between three and 16 alpha-numeric characters and must be left-justified. Also, the policy number can contain letter and numbers only; no special characters or embedded spaces are allowed.

❑ **Non-Fatal Error Code 2 -- Policy Expiration Invalid**

The policy expiration date must be a valid, numeric date:

Expiration Month must equal 01-12
Expiration Day must equal 01-31.

CESSION EDIT PACKAGE

F. Non-Fatal Cession Edits (continued)

❑ **Non-Fatal Error Code 3 -- Policy Expiration Invalid with Effective Date**

The policy expiration date must be greater than or equal to the policy effective date and cannot exceed the policy effective date by more than two years.

❑ **Non-Fatal Error Code 4 -- Insured's Name Invalid**

The insured's name must be at least one character, but no more than 16 alpha-numeric characters. It must be left-justified and the first position must contain a letter or a number.

The following characters are valid in positions 2-16:

- apostrophes
- ampersands
- dashes
- pound signs
- commas
- periods
- spaces

❑ **Non-Fatal Error Code 5 -- Invalid Producer Code**

The producer code/CAR ID Code combination must be valid for the company and effective year according to CAR's producer code file. Transaction 4 and 5 cessions do not process through this edit. Also, cessions that fail this edit do not process through non-fatal cession edits 6 and 7.

❑ **Non-Fatal Error Code 6 -- Risk or Month Invalid for Producer**

CAR uses the risk indicator and the effective date on the cession to verify that the producer code/CAR ID combination is valid for the company, date, and market segment (private passenger or commercial) according to CAR's producer code file. Transaction 4 and 5 cessions do not process through this edit. Also, cessions that fail this edit do not process through non-fatal cession edit 7.

❑ **Non-Fatal Error Code 7 -- Invalid Date for Producer**

The effective date on a transaction 1 or 2 cession must be before the termination date according to CAR's producer code file. Transaction 4 and 5 cessions do not process through this edit.

CESSION EDIT PACKAGE

F. Non-Fatal Cession Edits (continued)

❑ **Non-Fatal Error Code 8 -- Duplicate Policy Number/Effective Date**

Only one active transaction 1 or transaction 2 cession may exist on a policy for each policy number/effective year combination.

❑ **Non-Fatal Error Code 9 -- Effective Date Inconsistent on Transaction 4 Cession**

The effective month and day of the transaction 4 cession must match the active, in force transaction 1 or 2 cession in order to null that cession.

❑ **Non-Fatal Error Code 10 -- Effective Date Inconsistent on Transaction 5 Cession**

The effective month and day of the transaction 5 cession must match the active, in force transaction 1 or 2 cession in order to null that cession.

❑ **Non-Fatal Error Code 11 -- Date Received Invalid with Effective Date on Transaction 5 Cession**

CAR must receive a transaction 5 cession prior to the policy effective date of the active, in force cession.

❑ **Non-Fatal Error Code 12 -- Transaction 5 Cession Invalid for Producer**

If the producer code reported on the transaction 5 cession is set up for the 100% cede / 100% autobackdating option, the transaction 5 will not uncede the active, in force cession regardless of the date in which CAR receives the cession.

❑ **Non-Fatal Error Code 13 -- Premiums/Losses Reported on Transaction 5**

The premium and loss records on a policy must net to \$0 for a transaction 5 cession to be applied.

CESSION EDIT PACKAGE

F. Non-Fatal Cession Edits (continued)

❑ **Non-Fatal Error Code 14 -- No Matching Record for Transaction 4**

A transaction 1 or 2 cession must exist on the policy in order for the transaction 4 cession to be applied.

❑ **Non-Fatal Error Code 15 -- Matching Record Not Active for Transaction 4**

An active, inforce transaction 1 or 2 cession must exist on the policy in order for the transaction 4 cession to be applied.

❑ **Non-Fatal Error Code 16 -- No Matching Record for Transaction 5**

A transaction 1 or 2 cession must exist on the policy in order for the transaction 5 cession to be applied.

❑ **Non-Fatal Error Code 17 -- Matching Record Not Active for Transaction 5**

An active, inforce transaction 1 or 2 cession must exist on the policy in order for the transaction 5 cession to be applied.

❑ **Non-Fatal Error Code 18 -- Risk Indicator Inconsistent on Transaction 5**

During any special extensions the Governing Committee has granted for transaction 5 cession reporting, the risk indicator on the transaction 5 cession must match the risk indicator on the active, in force cession for the transaction 5 to be applied.

COMMONWEALTH AUTOMOBILE REINSURERS

CESSION EDIT PACKAGE

G. Cession Corrections

Fatal cession errors can be corrected by resubmission only. In order to re-submit the cession, you need to correct the field that is causing the fatal error.

Non-fatal cession errors can be corrected using the online telecommunications application. From the main screen shown below, you can select either one of the first two options under the "Correct/Add" heading. The system defaults to the most recent cession load date but you can change that date to any prior cession load date. You can also correct cession by entering the 'key' information which is the company number, policy effective year, policy number, and the record number of the cession. This option allows you to correct all cessions, not just those in error.

```
*** INPUT A DATE IF NEEDED ***
-----
CR100SA                COMMONWEALTH AUTOMOBILE REINSURERS      10/04/2006
COMPANY: 999                CESSION MENU                          12:11:50

BROWSE
- APPLIED CESSIONS W/LOAD DATE 09 29 2006 ..... PF2  OR 02
                               MM DD YYYY
- ACTIVE CESSIONS ..... PF3  OR 03
- BROWSE BY PRODUCER ..... PF4  OR 04
- BROWSE PENDING ..... PF5  OR 05

CORRECT / ADD
- ERRORS WITH LIST DATE 09 29 2006 ..... PF6  OR 06
                               MM DD YYYY
- CORRECT CESSION BY KEY ..... PF8  OR 08
- ADD CESSION RECORDS ..... PF9  OR 09

- CESSION MESSAGE BOARD LAST UPDATED 09 27 2006 PF10 OR 10
- REVIEW/UPDATE POLICY MESSAGES ..... PF11 OR 11
                               :  _  :

PF01/01 HELP                                PF12/12 EXIT
```

Upon selecting PF6 – Errors with List Date, the following screen appears which lists the non-fatal cession errors found with that corresponding cession load.

COMMONWEALTH AUTOMOBILE REINSURERS

CESSION EDIT PACKAGE

G. Cession Corrections (continued)

```

CR157SA                C.A.R. CESSION ERROR LISTING                10/04/2006
COMPANY: 999           STARTING LIST DTE: 09/15/2006        02:10:42
                        ANY INSURANCE COMPANY              (MM/DD/YYYY) POL NO 123456700
                                R
CAR                      POL EFF POL EXP S T                PROD  RECEIPT REC POL
ID  POLICY NUMBER      MM/DD/YY MM/DD/YY K X INS'S NAME  CODE  MM/DD/YY NO MSG
- 4 123456700          08/14/06 08/14/07 0 1 ANY INSURED AB9175 09/13/06 001
    ERRORS              05
- 4 123456700          08/31/06 08/31/07 2 1 ANY INSURED AB6228 09/05/06 001
    ERRORS              05
- 4 123456780          07/25/06 07/25/07 2 1 ANY INSURED AB6228 08/18/06 001
    ERRORS              05
- 5 123456789          08/01/06 08/01/07 0 5 ANY INSURED AB8104 08/04/06 002
    ERRORS              11
- 4 123456799          07/28/06 07/28/07 2 1 ANY INSURED AB9216 08/10/06 001
    ERRORS              06
- 4 123456800          07/03/06 07/03/07 2 1 ANY INSURED AB6247 08/02/06 001
    ERRORS              06
X - MARK THE CESSION TO BE CORRECTED
                                : ___ :
                                PF3/03 CORRECT REC  PF7/07 PAGE BCK  PF11/11 POLICY MESSAGE
PF1/01 HELP  PF4/04 DELETE REC  PF8/08 PAGE FWD  PF12/12 EXIT
    
```

To correct a cession record, put an 'X' next to the record and select PF3 – Correct Rec. Doing this also provides a verbal description of the error as shown in the screen below.

```

CR600SA                COMMONWEALTH AUTOMOBILE REINSURERS                10/04/2006
COMPANY: 999           CESSION RECORD - CORRECT                02:43:44
                        ANY INSURANCE COMPANY              REC NO 001   RCPT DTE 09/13/2006
CAR                      POL EFF DT  POL EXP DT                PROD
ID  POLICY NUMBER      MM/DD/YYYY MM/DD/YYYY RSK TX INSURED'S NAME  CODE
4  123456700          08/14/2006 08/14/2007 0 1 ANY INSURED AB9175
( . . . . . CD9175 )

ERROR
CODE  DESCRIPTION
05  INVALID PRODUCER CODE

PF01/01 HELP                : ___ :                PF09/09 PRODUCER INQUIRY
PF3/03 APPLY CORRECTION    PF8/08 PAGE FORWARD    PF10/10 POLICY HISTORY
                                PF11/11 POLICY MESSAGE    PF12/12 EXIT
    
```

Mark the correction in the grid below the field you want to change as shown in the example above and then hit PF3 – Apply Correction. Upon applying the correction, a message appears in the top left of the screen giving you information on the correction as shown in the following screen.

COMMONWEALTH AUTOMOBILE REINSURERS

CESSION EDIT PACKAGE

G. Cession Corrections (continued)

```

ERROR FREE  PF4 TO APPLY, PF5 TO REDO, PF12 TO QUIT
-----
CR600SA          COMMONWEALTH AUTOMOBILE REINSURERS          10/04/2006
COMPANY: 999          CESSION RECORD - CORRECT          02:58:00
          ANY INSURANCE COMPANY          REC NO 001  RCPT DTE 09/13/2006
CAR          POL EFF DT  POL EXP DT          PROD
ID POLICY NUMBER  MM/DD/YYYY MM/DD/YYYY RSK TX  INSURED'S NAME  CODE
4  123456700      08/14/2006  08/14/2007  0  1  ANY INSURED      AB9175
(  ..... )
          CD9175 )

ERROR
CODE      DESCRIPTION

PF01/01  HELP          :  _  :          PF09/09  PRODUCER INQUIRY
PF4/04   APPLY  CORRECTION  PF8/08   PAGE FORWARD    PF10/10  POLICY HISTORY
          PF11/11  POLICY MESSAGE  PF12/12  EXIT

```

To complete the correction, hit PF4 to Apply. The correction is written to the cession correction pending file and will be processed in the next cession load.

Deleting a cession record is very similar to correcting a cession error. Only a few conditions exist where the delete option is allowed:

You can delete a transaction 1 or transaction 2 cession if it has a duplicate cession error (non-fatal error code 8).

You can delete a transaction 4 or 5 cession if it contains a non-fatal cession error and has not deactivated a transaction 1 or 2 cession (generally error codes 9-18).

To delete a cession record, put an 'X' next to the record and select PF4 – Delete Rec as shown in the following screen.

COMMONWEALTH AUTOMOBILE REINSURERS

CESSION EDIT PACKAGE

G. Cession Corrections (continued)

```

CR157SA                C.A.R. CESSION ERROR LISTING                10/04/2006
COMPANY: 999           STARTING LIST DTE: 09/15/2006           02:10:42
                ANY INSURANCE COMPANY                (MM/DD/YYYY) POL NO 123456700
                R
CAR
ID POLICY NUMBER      POL EFF POL EXP S T      PROD RECEIPT REC POL
MM/DD/YY MM/DD/YY K X INS'S NAME CODE MM/DD/YY NO MSG
- 4 123456700          08/14/06 08/14/07 0 1 ANY INSURED AB9175 09/13/06 001
  ERRORS 05
- 4 123456780          08/31/06 08/31/07 2 1 ANY INSURED AB6228 09/05/06 001
  ERRORS 05
- 4 123456789          07/25/06 07/25/07 2 1 ANY INSURED AB6228 08/18/06 001
  ERRORS 05
x 5 123456799          08/01/06 08/01/07 0 5 ANY INSURED AB8104 08/04/06 002
  ERRORS 11
- 4 123456780          07/28/06 07/28/07 2 1 ANY INSURED AB9216 08/10/06 001
  ERRORS 06
- 4 123456781          07/03/06 07/03/07 2 1 ANY INSURED AB6247 08/02/06 001
  ERRORS 06
X - MARK THE CESSION TO BE CORRECTED
      : _ :
      PF3/03 CORRECT REC PF7/07 PAGE BCK PF11/11 POLICY MESSAGE
PF1/01 HELP PF4/04 DELETE REC PF8/08 PAGE FWD PF12/12 EXIT
    
```

Upon selecting PF4, the correction screen appears with grids. Although there are grids, leave all grids blank and hit PF3 – Apply Deletion. On the delete function, there can be no grid corrections.

```

CR600SA                COMMONWEALTH AUTOMOBILE REINSURERS                10/04/2006
COMPANY: 999           CESSION RECORD - DELETE                03:38:46
                ANY INSURANCE COMPANY                REC NO 002 RCPT DTE 08/04/2006
CAR
ID POLICY NUMBER      POL EFF DT POL EXP DT      PROD
MM/DD/YYYY MM/DD/YYYY RSK TX INSURED'S NAME CODE
5 123456799           08/01/2006 08/01/2007 0 5 ANY INSURED AB8104
( . . . . . )

ERROR
CODE DESCRIPTION
11 DATE RECEIVED INVALID WITH EFFECTIVE DATE FOR TX5

PF01/01 HELP : _ : PF09/09 PRODUCER INQUIRY
PF3/03 APPLY DELETION PF8/08 PAGE FORWARD PF10/10 POLICY HISTORY
PF11/11 POLICY MESSAGE PF12/12 EXIT
    
```

After applying the deletion, a message appears on the top left of the screen giving you information on the deletion as shown in the following screen.

COMMONWEALTH AUTOMOBILE REINSURERS

CESSION EDIT PACKAGE

G. Cession Corrections (continued)

```
ERROR FREE  PF4 TO APPLY, PF5 TO REDO, PF12 TO QUIT
-----
CR600SA          COMMONWEALTH AUTOMOBILE REINSURERS          10/04/2006
COMPANY: 999          CESSION RECORD - DELETE          03:42:57
          ANY INSURANCE COMPANY          REC NO 002  RCPT DTE 08/04/2006
CAR              POL EFF DT  POL EXP DT          PROD
ID POLICY NUMBER  MM/DD/YYYY MM/DD/YYYY RSK TX INSURED'S NAME  CODE
5  123456799      08/01/2006 08/01/2007 0 5 ANY INSURED      AB8104
( . . . . . )

ERROR
CODE      DESCRIPTION

PF01/01  HELP          :  _  :          PF09/09 PRODUCER INQUIRY
PF4/04   APPLY  DELETION  PF8/08  PAGE FORWARD   PF10/10 POLICY HISTORY
          PF11/11 POLICY MESSAGE  PF12/12 EXIT
```

To complete the deletion, hit PF4 to Apply. The deletion is written to the cession correction pending file and will be processed in the next cession load.

COMMONWEALTH AUTOMOBILE REINSURERS

CESSION EDIT PACKAGE

H. Important dates and frequently asked questions:

Important Dates	
To receive full cession coverage:	Transaction 1 cessions require cession notice within 23 days of the policy effective date.
	Transaction 2 cessions require cession notice on or before the policy effective date.
To cancel or un-cede a cession	Transaction 4 codes will cancel a cession and can be done anytime during the reportable year.
	Transaction 5 codes will un-cede a cession and should be done before the policy effective date.
To view cessions that have been loaded to the permanent database:	CAR loads all cession records to its permanent database file every Friday night. Viewing cession data will be available on Monday mornings. (This schedule may deviate 4 times a year at the end of each quarter).
\$60 Cession No Premium penalties:	Assessed twice a year: May 28 th and Nov 28 th . Cession corrections must be made by May 15 th and Nov 15 th .
Cession No premium write-off:	Assessed once a year in April. The latest possible time to submit cession corrections would be Feb 15 th .

Frequently asked questions:

Q1. How is cession coverage determined?

A1. The cession coverage date is based upon the receipt of the cession relative to the policy effective date and premium receipt date. For new business (TX1) cessions, the cession coverage date will equal the policy effective date as long as the cession is received within 23 calendar days subsequent to the policy effective date. For renewal cessions (TX2) the cession needs to be received on or before the policy effective date to receive full cession coverage. Otherwise, the cession coverage date will equal the date CAR receives the cession unless CAR receives premium earlier than the cession. In that case the coverage date will be the earliest premium receipt date.

Q2. How do I determine the reporting method of the cession?

A2. There are three possible ways to report cessions: tape reporting, online entry, and FTP reporting. Every cession record contains a field entitled "MED" which stands for media type. The reporting method of the cession can be identified through the codes below. (See page 4 of this manual for further explanation).

- Tape reporting (00-19)
- Online entry (60-84)
- FTP reporting (85-99)

CESSION EDIT PACKAGE

H. Important dates and frequently asked questions:

Q3. How do I move a cession to another policy?

A3. Through CAR's telecommunications system, the "correct cession by key" function provides a grid where a new policy number can be entered. If the cession contains a non-fatal cession error then you can change the policy number by using the 'Errors With List Date" function. This function is the PF6 key in the cession system.

Q4. Why didn't my Transaction 5 cession uncede the policy?

A4. Review the receipt date of the transaction 5 checking to make sure it is before the policy effective date. The transaction 5 will not process if the policy has taken effect. In this case, you will have to request a transaction 5 backdate and supply acceptable documentation that the decision to retain the policy voluntary was made before the policy effective date.

Q5. When will I see my cessions in the policy history screen?

A5. CAR runs the cession load every Friday night; therefore, the policy history screen will reflect that week's new activity on Monday morning.

Q6. I have several cession records listed in the policy history screen; how do I know which one is active?

A6. The cession record contains a field entitled "INF" which stands for inforce cession. A code of 1 in this field will identify that the cession is active and matches to the premium, loss records and CAR coverage. A code of 0 identifies the cession as being inactive. (See page 4 of this manual).

Q7. How can I tell if there were errors in the recently added cessions?

A7. Upon adding the cession, the system will notify you at that time if any errors were found on the cession record. A fatal error will cause the cession to be rejected and will not be loaded at that time. Cessions that contain non fatal errors will be added and will need to be corrected after the data is loaded.

Q8. How do I delete a cession record that was entered in by mistake?

Q8. Deleting a cession is only allowed if the cession has a duplicate error (non fatal error code 8), or when a transaction 4 or 5 cession record contains a non fatal error and has not deactivated a transaction 1 or 2 cession. (See page 25 of this manual for further instructions on deleting cession records).

CESSION EDIT PACKAGE

H. Important dates and frequently asked questions:

Q9. Do I have to wait until Monday morning to view the cessions that I've added?

A9. CAR loads all cession records to its permanent database file every Friday night. In the meantime, this data is loaded into a temporary file. You may view cessions appearing on the temporary file using the "Browse Pending Cessions" function within the Telecommunications system. (See page 8 of this manual for further explanation).

Q10. How do I know if the cession has full coverage?

A10. The cession record contains a field entitled "P" which stands for Date pointer. The Date pointer will identify the cession coverage date. (See page 3 of this manual).

1 = Full CAR Coverage

2 = CAR Coverage as of cession receipt date

3 = CAR Coverage as of the premium receipt date

Q11. How do I change the Insured's name?

A11. Through the telecommunications system, the "Correct Cession by Key" function allows you to change several fields including the Insured's name. (See page 9 of this manual for further explanation).

Q12. How do I know if the cession was moved to a new policy?

A12. The cession record contains a field entitled "Error Codes or Cross-Ref policy #." This field indicates either the non-fatal cession error on the record or the policy number the cession moved to. Please keep in mind that when viewing the cession record via the Telecommunications system, you will have to scroll right (pf6 key) to view this field.

Q13. How do I delete a duplicate cession record?

A13. The "correct cession by key" function allows you to delete a cession record. You will need to enter in the record number of the duplicate cession record. Deleting a cession record is only allowed if there is a non fatal error code. (See page 9 of this manual for further detail).

Q14. What is a cession/no premium error?

A14. When a Servicing carrier reports a cession to CAR, it has three subsequent calendar months to report the premium. If the company does not report the premium by the accounting month subsequent to the cession date, the cession appears on the Warning List as a cession no/premium error. The company then has five additional months from the cession date to report the premium before moving to the penalty list. All cessions on the penalty list are eligible for the \$60 cession/no premium penalty which are assessed twice a year: May 28th and Nov 28th.