A.   <u>GENERAL INFORMATION</u>

The CAR Allocated Expense System creates and maintains a summarized database of allocated loss paid expense, legal and medical, beginning with accident year 1995 data.

The CAR Allocated Expense System allows you to browse information by line of business (subline) on the average allocated expense payments reported to the CAR Statistical files under the transaction code 24 (All Other Allocated Expense), 27 (Legal Allocated Expense), and 29 (Medical Allocated Expense) by accident year.

B.   ACCESSING THE ALLOCATED EXPENSE SYSTEM

To access CAR's Allocated Expense System from TE100-Telecommunications Menu (exhibit XII-B-1),

Exhibit XII-B-1

```
TE100SB          COMMONWEALTH AUTOMOBILE REINSURERS            11/01/2006
TEMENUSA                    TELECOMMUNICATIONS                    11:15:30


        C.A.R. ACCOUNTING          .......... PF2  OR 02

        CESSION SYSTEM             .......... PF3  OR 03

        STATISTICAL SYSTEM         .......... PF4  OR 04

        PRODUCER CODE SYSTEM       .......... PF5  OR 05

        TAXI INDEX SYSTEM          .......... PF6  OR 06

        AUDIT & CLAIMS SYSTEM      .......... PF7  OR 07

        EXPERIENCE RATING SYSTEM ............ PF8  OR 08

        TERMINATE C.A.R. SESSION ............ PF12 OR 12


                        :     :
              DEPRESS PFKEY OR ENTER PROCESSING OPTION
```

> **Select PF7 or**
> **Tab to the option field, type "7" and hit ENTER.**

The TE170 - CAR AUDIT CLAIMS SYSTEM Screen (exhibit XII-B-2) appears.

B.   ACCESSING THE ALLOCATED EXPENSE SYSTEM (CONTINUED)

Exhibit XII-B-2

```
TE170              COMMONWEALTH AUTOMOBILE REINSURERS            11/01/06
                        C.A.R. AUDIT CLAIMS SYSTEM                11:15:30




                    COMPANY NUMBER .....  ____



            CAR POLICY HISTORIES      ..... PF2  OR 02
            SPECIAL INVESTIGATIVE UNIT ..... PF3  OR 03
            ALLOCATED EXPENSE SYSTEM   ..... PF4  OR 04
            REINSURANCE AUDIT ACCESS   ..... PF5  OR 05
            AVERAGE COST PER CLAIM     ..... PF6  OR 06




                          :       :

PF1/01 - HELP                              PF12/12 - RETURN TO MENU
```

Select PF4 or
Tab to the option field, type "04" and hit ENTER.

The AE100 - Allocated Expense Main Menu appears (exhibit XII-B-3).

Exhibit XII-B-3

```
AE100SA                    ALLOCATED EXPENSE                    11:15:30
AE100MN                      MAIN SCREEN                        11/01/06

      C O M M O N W E A L T H  A U T O M O B I L E  R E I N S U R E R S

SELECT ONE OPTION

                      HELP ..................PF1  OR 01

                      BROWSE ................PF3  OR 03

                      MESSAGE................PF4  OR 04


                      TERMINATE SESSION.......PF12 OR 12

                            :       :
```

The Main Screen allows you to BROWSE the Allocated Expense File.

C.   BROWSE DETAILS

To select the BROWSE Details option,

> **Select PF3 or**
> **Type "03" and hit ENTER**

The AE600- Allocated Expense User Entry Screen (exhibit XII-C-1) appears.

Exhibit XII-C-1

```
   AE600SA                    ALLOCATED EXPENSE              11:15:30
   AE600PR                      USER ENTRY                   11/01/06


 ENTER THE FOLLOWING FOR SPECIFIED REPORTS

                      COMPANY NUMBER:  ____

                      ACCIDENT YEAR:   _____


          PF1/1 HELP  -  PF3/3 GET REPORT  -   PF12/12 EXIT

                               :       :
```

You may browse the file for your company by selected accident year. To do so,

> **Input your company number**
> **Input an accident year**
> **Select PF3 for menu of reports**

The AE600- Allocated Expense Selection Menu Screen (exhibit XII-C-2) appears.

C.   BROWSE DETAILS (CONTINUED)

Exhibit XII-C-2

```
AE600SC             COMMONWEALTH AUTOMOBILE REINSURERS            11:15:30
AE600PR             ALLOCATED EXPENSE SELECTION MENU              11/01/06

CO # 999                 ENTER AN X TO SELECT ONE REPORT
RPT   X   =====DESCRIPTION=====      RPT   X   =======DESCRIPTION======

 1    _    PP  - ALL OTHER - CED      13    _   PP/COM - ALL OTHER - CED
 2    _    PP  -   LEGAL   - CED      14    _   PP/COM -   LEGAL   - CED
 3    _    PP  - MEDICAL   - CED      15    _   PP/COM - MEDICAL   - CED
 4    _    PP  - ALL OTHER - VOL      16    _   PP/COM - ALL OTHER - VOL
 5    _    PP  -   LEGAL   - VOL      17    _   PP/COM -   LEGAL   - VOL
 6    _    PP  - MEDICAL   - VOL      18    _   PP/COM - MEDICAL   - VOL
 7    _    COM - ALL OTHER - CED      19    _   PP/COM - ALL OTHER - CED/VOL
 8    _    COM -   LEGAL   - CED      20    _   PP/COM -   LEGAL   - CED/VOL
 9    _    COM - MEDICAL   - CED      21    _   PP/COM - MEDICAL   - CED/VOL
10    _    COM - ALL OTHER - VOL
11    _    COM -   LEGAL   - VOL
12    _    COM - MEDICAL   - VOL

PF3/3  DISPLAY REPORT
PF8/8  SELECT TOTALS SCREEN         :        :        PF12/12 - EXIT ACTION
```

A total of 21 reports may be viewed. These contain selections of ceded, voluntary, commercial, and private passenger business. Selections may be made from the menu screen. To display a report,

> **Tab to the report you want**
> **Type "X"**
> **Select PF3 to display the report**

The appropriate screen will appear. As an example, below is report #8, which displays commercial ceded legal allocated expenses for specified accident year (exhibit XII-C-3).

C.   BROWSE DETAILS (CONTINUED)

Exhibit XII-C-3

```
AE600SB                COMMONWEALTH AUTOMOBILE REINSURERS          11/01/06
AE600PR                     COMMERCIAL                             11:15:30
REPORT #:  08            LEGAL   ALLOCATED EXPENSE REPORT
                         CEDED   ACCIDENT YEAR:  2005
COMPANY:  999 ANYINSURANCE COMPANY        =========INDUSTRY=========
TYPE        CLAIM      ALLOC       AVG          CLAIM      ALLOC       AVG
LOSS        COUNT       AMT       ALLOC         COUNT       AMT       ALLOC

BI            1         728        728            1         728        728
PD            0          0          0             0          0          0
OTC           0          0          0             0          0          0
COL           0          0          0             0          0          0
MP            0          0          0             0          0          0
UM            0          0          0             0          0          0
UDM           0          0          0             0          0          0
PIP           0          0          0             1         300        300
PLBI          0          0          0             0          0          0
PLPD          0          0          0             0          0          0
TOTAL         1         728        728            2        1,028       514

CHANGE REPORT # ABOVE FOR NEW REPORT
PF1/1 HELP-PF3/3 NEW RPT-PF5/5 MENU :    :  PF7/7 BWD -PF8/8 FWD-PF12/12 EXIT
```

T
To access the Browse Help screen: **Press PF1**

To display another report:

> **Tab to the "Report #" field in top left corner of screen**
> **Type in the new report number**
> **Press PF3**

To return to the AE600- Allocated Expense Selection Menu screen, where you can choose
another report or exit: **Press PF5**

To display the previous report, (report #7 in above example): **Press PF7**

To display the next report, (report #9 in above example): **Press PF8**

To exit:
>   **Select PF12 or**
>   **Tab to the option box, type "12" and hit Enter**

This returns you to the AE600- Allocated Expense User Entry screen where you can choose another
accident year or exit.

D.   BROWSE TOTALS

To select the BROWSE Totals option from The AE100SA (exhibit XII-D-1),

Exhibit XII-D-1

```
AE100SA                    ALLOCATED EXPENSE                    11:15:30
AE100MN                      MAIN SCREEN                        11/01/06

       C O M M O N W E A L T H   A U T O M O B I L E   R E I N S U R E R S

SELECT ONE OPTION

                         HELP ..................PF1  OR 01

                         BROWSE ................PF3  OR 03

                         MESSAGE................PF4  OR 04


                         TERMINATE SESSION.......PF12 OR 12
                                      :        :
```

Select PF3 or
Type "03" and hit ENTER

The AE600- Allocated Expense User Entry Screen (exhibit XII-D-2) appears.

D.   BROWSE TOTALS (CONTINUED)

Exhibit XII-D-2

```
   AE600SA                    ALLOCATED EXPENSE               11:15:30
   AE600PR                       USER ENTRY                   11/01/06


  ENTER THE FOLLOWING FOR SPECIFIED REPORTS

                        COMPANY NUMBER:  ___

                        ACCIDENT YEAR:   ____


   PF1/1 HELP  -  PF3/3 GET REPORT   -   PF12/12 EXIT

                                  :      :
```

You may browse the file for your company by selected accident year. To do so,

> **Input your company number**
> **Input an accident year**
> **Select PF3 for menu of reports**

The AE600- Allocated Expense Selection Menu Screen (exhibit XII-D-3) appears.

Exhibit XII-D-3

```
  AE600SC            COMMONWEALTH AUTOMOBILE REINSURERS           11:15:30
  AE600PR              ALLOCATED EXPENSE SELECTION MENU           11/01/06

  CO # 999               ENTER AN X TO SELECT ONE REPORT
  RPT   X    =====DESCRIPTION=====     RPT   X    =======DESCRIPTION=====

   1    _    PP  - ALL OTHER - CED     13    _    PP/COM - ALL OTHER - CED
   2    _    PP  -   LEGAL   - CED     14    _    PP/COM -   LEGAL   - CED
   3    _    PP  -  MEDICAL  - CED     15    _    PP/COM -  MEDICAL  - CED
   4    _    PP  - ALL OTHER - VOL     16    _    PP/COM - ALL OTHER - VOL
   5    _    PP  -   LEGAL   - VOL     17    _    PP/COM -   LEGAL   - VOL
   6    _    PP  -  MEDICAL  - VOL     18    _    PP/COM -  MEDICAL  - VOL
   7    _    COM - ALL OTHER - CED     19    _    PP/COM - ALL OTHER - CED/VOL
   8    _    COM -   LEGAL   - CED     20    _    PP/COM -   LEGAL   - CED/VOL
   9    _    COM -  MEDICAL  - CED     21    _    PP/COM -  MEDICAL  - CED/VOL
  10    _    COM - ALL OTHER - VOL
  11    _    COM -   LEGAL   - VOL
  12    _    COM -  MEDICAL  - VOL

  PF3/3  DISPLAY REPORT
  PF8/8  SELECT TOTALS SCREEN        :      :      PF12/12 - EXIT ACTION
```

To display the Total Reports,

> **Select PF8 select totals screen**

D.   BROWSE TOTALS (CONTINUED)

The AE600- Allocated Expense Totals Menu Screen (exhibit XII-D-4) appears.

Exhibit XII-D-4

```
AE600SD              COMMONWEALTH AUTOMOBILE REINSURERS              11:15:30
AE600PR                 ALLOCATED EXPENSE TOTALS MENU                11/01/06

CO # 999                 ENTER AN X TO SELECT ONE REPORT
RPT X ===DESCRIPTION===   RPT X ===DESCRIPTION===   RPT X ===DESCRIPTION===


22 _ PP TOTALS - CED     25 _ COM TOTALS - CED     28 _ PP/COM TOTALS - CED
23 _ PP TOTALS - VOL     26 _ COM TOTALS - VOL     29 _ PP/COM TOTALS - VOL
24 _ PP TOTALS - CED/VOL 27 _ COM TOTALS - CED/VOL 30 _ PP/COM ALL - CED/VOL




PF3/3  DISPLAY REPORT
PF7/7  PREVIOUS SCREEN          :      :         PF12/12 - EXIT ACTION

```

A total of 9 Total reports may be viewed. These contain selections of ceded, voluntary, commercial, and private passenger business. Selections may be made from the menu screen. To display a report,

> **Tab to the report you want**
> **Type "X"**
> **Select PF3 to display the report**

The appropriate screen will appear. As an example, below is report #27, which displays commercial ceded and voluntary total expenses for specified accident year (exhibit XII-D-5).

D. BROWSE TOTALS (CONTINUED)

Exhibit XII-D-5

```
AE600SB                 COMMONWEALTH AUTOMOBILE REINSURERS              11/01/06
AE600PR                          COMMERCIAL                             11:15:30
REPORT #:   27            ALL    ALLOCATED EXPENSE REPORT
                     CEDED/VOLUNTARY   ACCIDENT YEAR:   1997
COMPANY:  999 ANY INSURANCE CO.                   =========INDUSTRY==========
TYPE       CLAIM       ALLOC        AVG          CLAIM       ALLOC        AVG
LOSS       COUNT         AMT      ALLOC          COUNT         AMT      ALLOC

BI           304     194,208        639          1,822     971,235        533
PD           489      32,384         66          4,128     533,263        129
OTC           91       5,043         55            314      52,912        169
COL          139        -397         -3            612      53,115         87
MP             4         589        147             17       3,246        191
UM             1          15         15             16       3,981        249
UDM            4       1,232        308             25      10,287        411
PIP          390      47,149        121          2,524     470,377        186
PLBI           0           0          0              0           0          0
PLPD           0           0          0              2       1,045        523
TOTAL      1,422     280,223        197          9,460   2,099,461        222

CHANGE REPORT # ABOVE FOR NEW REPORT
PF1/1 HELP-PF3/3 NEW RPT-PF5/5 MENU :    :  PF7/7 BWD -PF8/8 FWD-PF12/12 EXIT
```

To access the Browse Totals Help screen: **Press PF1**

To display another report:

> **Tab to the "Report #" field in top left corner of screen**
> **Type in the new report number**
> **Press PF3**

To return to the AE600- Allocated Expense Totals Menu screen, where you can choose another report or exit: **Press PF5**

To display the previous report, (report #26 in above example): **Press PF7**

To display the next report, (report #28 in above example): **Press PF8**

To exit:
> **Select PF12 or**
> **Tab to the option box, type "12" and hit Enter**

This returns you to the AE600- Allocated Expense User Entry screen where you can choose another accident year or exit.