I. SUBMISSION PROCESSING AND EDITS

**A.   TEXAS RESIDENTIAL and COMMERCIAL FARM and RANCH STATISTICAL
         PLAN - STATISTICAL AGENT**

The Texas Commissioner of Insurance has designated the Texas Insurance Checking Office (TICO) as the statistical agent for Texas residential and commercial farm and ranch property experience. The statistical agent serves the Commissioner of Insurance. TICO has prepared these technical instructions. Questions about the edits or the physical reporting of data or data formats required in the Residential Plan and the Farm and Ranch Section of the Commercial Plan shall be directed to TICO. Any questions about reporting requirements, the definition of data elements and/or the use of data reported to the designated statistical agent shall be directed to the Texas Department of Insurance.

Any questions about reporting requirements, the definition of data elements and/or the use of data reported to the designated statistical agent shall be directed to the Texas Department of Insurance.

> Technical Analysis Department
> Attn: Statistical Plan Team
> Texas Department of Insurance
> P.O. Box 149104
> Austin, Texas 78714-9104
> (512) 475-3017

Questions about the physical reporting of data or data formats required in this plan shall be directed to:

> TICO
> Residential and Commercial Farm and Ranch Stat. Dept.
> 2801 South IH -35
> Austin, Texas 78741-5523
>
> -OR -
>
> P.O. Box 15
> Austin, Texas 78767-0015
>
> (512) 444-9662
> FAX (512) 326-7605

B.   RECORD TYPE 94 FOR PREMIUMS

It is no longer required that these records be submitted using this statistical plan for the personal scheduled property coverage on a homeowners or farm owners policy. If a company continues to submit these records, the records will not be flagged as errors unless the premium fields are not numeric signed. Companies should take action to delete these records from their submissions as soon as convenient. If any of these records are assigned Annual Statement Lines 030 or 040, the company should keep track of these premium records for reconciliation purposes.

If these records are included in the submission, record counts and dollar amounts need to be included on the control totals and the transmittal reports.

II.   DATA FORMAT & FILE SUBMISSIONS

A.   DATA FORMAT

1. Files should be in ASCII format, record length 150

2. Report all data according to the field positions described in the Texas Residential Statistical Plan and Farm and Ranch section of the Commercial Statistical Plans. Alphanumeric (text) entries shall be left aligned. Numeric entries shall be right aligned. Numeric fields shall be zero filled. Negative amounts shall be indicated in the units position as follows:

Value	Symbol
-0	}
-1	J
-2	K
-3	L
-4	M
-5	N
-6	O
-7	P
-8	Q
-9	R

3. Transmittal sheets and media must be labeled with filenames.

B.   File Submissions

1. Sharefile - Files can be securely submitted to TICO using Tico.sharefile.com
    (contact TICO for setup instructions)

2. CD - Files can be saved on CD and mailed to TICO:
    Texas Insurance Checking Office
    2801 S. IH-35
    Austin, Texas 78741-5523

III.   RESIDENTIAL and COMMERCIAL FARM and RANCH PROPERTY TRANSMITTAL INSTRUCTIONS

A.   TRANSMITTAL FORM INSTRUCTIONS

1. A new residential and/or commercial farm and ranch property data submission transmittal form must accompany all data submitted to TICO. The transmittal form shall contain the information listed below.   A computer produced facsimile is acceptable as long as it contains all required data. If using a computer produced facsimile, companies should send a copy to TICO for review prior to use.

2. A separate transmittal form is required for each individual company to show premium and loss amounts and record counts by company.

3. No Data to Report - If a company usually has data to report but has none to report for a specific month, a transmittal should still be sent with the notation "No Data to Report" in the Special Instructions section of the transmittal. This will ensure that a company is recorded as in compliance with reporting requirements for that reporting month.

4. Reporting Period - This is the accounting date of the data in the file.

5. Source Company Information
    • Company NAIC Code - 5 digit individual company code of each company included in submission.
      A separate form is required per company.
    • Group NAIC Code - 3 digit group code.
    • Phone # - of contact person in case there is a problem with the file.
    • Email - of contact person in case there is a problem with the file.
    • Company Name - this is the individual company name of the company whose data is being reported. (Essential.)
    • Address - mailing address.

6. Return Accepted/Rejected Reports and Error Files to - fill in Name and Address OR Sharefile folder name of person who should receive reports and error files.

7. Record counts and Dollar amounts - Complete for each statistical plan. These will be used to balance the submission. The submission must balance in order to be accepted.

8. Special Instructions - Indicate any special comments that will help TICO in processing the file such as:
    • Error codes to ignore
    • Resubmission file or Supplemental file

B.   TRANSMITTAL AMOUNTS AND RECORD COUNTS

In order to be accepted, the transmittal report must match the file data for premium and loss amounts, record counts and for NAIC individual company numbers. The following shows the method to use to accumulate the correct totals:

STATISTICAL PLAN	FIELDS TO BE TOTALED	(POSITIONS)	AMOUNT FIELD		RECORD COUNT
Statiscal Plan 3	Premium	(72-77)	*Total Amount*		*Total Records*
Statiscal Plan 3	Paid Losses Trans ID 6	(72-77)	*Total Amount*	+	Paid Records
Statiscal Plan 3	O/S Losses Trans ID 7	(72-77)	*Total Amount*	+	O/S Records
					Total Loss Records
Statistical Plan 4	Premium				
a) If LOB (pos. 41-42) = 02, 03, 04		(59-62 only)	+	Amount	
b) If LOB (pos. 41-42) not = 02, 03, 04		(59-62)	+	Amount	
		(67-70)	+	Amount	
		(76-79)	+	Amount	
c) If Record Type 94		(59-62 only)	+	Amount	
			Total Amount		*Total Records*
Statistical Plan 4	Paid Losses Kind Code 6	(62-67)	*Total Amount*	+	Paid Records
Statistical Plan 4	O/S Losses Kind Code 7	(62-67)	*Total Amount*	+	O/S Records
					Total Loss Records

Amounts and record counts in bold italics are entered on the transmittal form.

C.   External Labels for CDs

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CO. / GRP. NAME  _____

NAIC CO. / GRP #  _____  Rept. Period _____

TEXAS RESIDENTIAL:     DWEL, HO        PREM _____  LOSS _____

TEXAS COMMERCIAL:      FRO             PREM _____  LOSS _____

TEXAS COMMERCIAL:      FARM RANCH      PREM _____  LOSS _____

FILE NAME(S) _____
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1. Company / Group Name - e.g., ABC Ins. Co.; XYZ Ins. Co. / ABC Group
    This data is essential to expedite processing.

2. NACI Company / Group # - 5 digit individual number and 4 digit group number.

3. Submission for Reporting Period - Accounting Date of Reporting Period(s) included in submission. e.g., 1/94
    2/94, etc. *(This is not the date mailed by the insurance company.)*

4. Texas Residential - Check statistical plan data included on the media.
    Texas Commercial Farm and Ranch - Check statistical plan data included on the media.

5. File Name(s) - enter names.

IV. ERROR PROCESSING AND CORRECTION PROCEDURES

A.   CRITERIA FOR ACCEPTANCE OR REJECTION

Submissions for timeliness, quality and the specified error tolerance per statistical plan are evaluated based on a "batch"
key. The batch key for residential and or commercial farm and ranch reports is as follows:

1. NAIC individual company number
2. Statistical Plan Code (3 or 4)
3. Premium or Loss Indicator (P or L)

An individual company batch submission is not considered to be accepted until it meets the error tolerance conditions
even if other batches within a group are accepted and updated to the database.

Submissions will be accepted or rejected based on the criteria described below:

1. TICO cannot load or read the file. Further processing not possible. The file will be returned to the company.

2. Submission contains one or more "fatal" errors regardless of the error tolerance:

    a. Plan Code invalid.
    b. Premium or Loss indicator invalid.
    c. Transmittal amounts do not match submission amounts.
    d. Place Codes invalid.
    e. Line of Business is invalid.
    f. Company Number (TICO and NAIC).
    g. Wind Coverage
    h. Claim Count

3. Submission exceeds error tolerance of greater than 1% records in error or greater than 1% dollar amount in error.

    Exception - If number of records equal 10 or less and if total amount of errors is $2,500 or less then the submission will be accepted unless there is a fatal error such as Place Code.

All records except those with Plan Code errors and Premium / Loss indicator errors will be processed to completion by the edit program.

B.   EDIT ERROR CODES

Each record will be identified with a four position error code:

Position 1	3, 4; C	Statistical Plan Code or Common Edit
Position 2	P, L; C	Premium or Loss Indicator; Common Edit
Positions 3 - 4	01-99	Numeric Error Code

Error records requiring correction will be returned to companies on the same type of media as originally supplied to TICO with up to 10 error codes added to the end of the record in positions 151-190.

C.   EDIT PROCESSING / Accepted Rejected REPORTS

Processing standards
When a submission is received at TICO, it will be processed through the edits and will be accepted or rejected per batch key based on the error tolerance and edit criteria per statistical plan.

Accepted/Rejected Reports
An Accepted/Rejected report by individual company, statistical plan and premium and loss submission will be returned to person of folder specified in the middle of the transmittal form. The report will identify the results for each individual company batch. The number of records in error per error code will be listed.

D.   ERROR CORRECTION PROCEDURES

If a submission is not accepted, TICO will create an "error file" which will include the individual companies submission with the error codes for records in error in a 40 byte appendage beginning in position 151. The error free records for that batch key will also be included in this file.

TICO will identify up to ten errors per record with a 4 position error code. A company will need to scan the file for records with error codes in positions 151-190 and correct these records using their own system. For this error correction submission, it is not necessary to offset the original record and onset a corrected record. (The offset/onset process is used when a company corrects or endorses records within its internal policy processing system and submits with a new accounting period.)

Many of the edits depend on a correct Line of Business, Subline or Record Type code. It is suggested that these be checked or corrected first which may help to validate many of the subsequent errors on a record. It is also critical that numeric signed fields such as premium and exposure be correct and that the signs of the exposure and premium match.

After the correction process is completed, the company will resubmit the entire batch submission containing the error free records as well as the corrected records. The 40 positions appended to the original 150 byte record in positions 151-190 must be deleted so the record length of the resubmission is 150 positions.

All applicable transmittal forms must also be resubmitted. Make a note in the Special Instruction section that this is a resubmission with corrected data.

E.   FORMAT OF ERROR FILE RETURNED TO COMPANY

1. A 190 record length file will be returned to the company. The format is as follows:

    Positions: 001   thru 150   Image of original record
                  151   thru   190   Up to 10 occurrences of Error Codes

2. file will include all records in the original submission

F.   RESUBMISSION / ERROR CORRECTION DUE DATES

1. The resubmission/corrected 1
    Companies are encouraged to submit corrections as early as possible prior to the due date.

2. Resubmissions/error corrections should be separate from regular submissions.

G.   THIRD PARTY VENDOR

If a third party vendor has prepared the data for submission and the company wants it returned directly to the vendor
for processing of errors, note this and the contact information in the Special Instruction section on the transmittal form;
otherwise, the file and errors will be returned to the company address or Sharefile folder shown in the Return section of
the transmittall form.

H.   PROCESSING OF RESUBMISSIONS WITH ERROR CORRECTIONS FOR
   DATA NOT YET ACCEPTED.

These will be processed by TICO using the same procedures as the original submission.

I.   ERROR CORRECTION ON *DATA PREVIOUSLY ACCEPTED* TO THE DATABASE

If an error is discovered in data either by the company or the statistical agent after the data has been submitted and
accepted by the statistical agent, the company will be required to submit offset records for the incorrect data and onset
records with the correct information. Contact the statistical agent for instructions on handling this procedure. This
applies to a system error that may have occurred with the data and not to individual records that are corrected in the
normal course of business through the endorsement process that creates offset / onset records.

J.   INCENTIVES AND PENALTIES

To promote accuracy and timely submission of data, TICO and TDI will refine the standards for error tolerance levels during the transition of insurers reporting to TICO. A complete and comprehensive schedule for penalties and incentives by line of business could be issued.

K.   EDIT CRITERIA

1. The edits on the following pages closely follow the editing process previously done by ACXIOM with noted exceptions in italics. Data submitted by companies will not be changed to meet valid conditions. If data elements are invalid or the signs of the premium and exposure fields do not match, the records will be flagged as errors.

2. Edits which require logic based on a company's regulated or non-regulated status (e.g., Lloyds, Reciprocals, County Mutuals) are performed only at TICO.

FOR FUTURE USE.

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