



On the **CUTTING EDGE**

News about the Electronic Data Gathering Enterprise system coming soon.

North Carolina Reinsurance Facility

Circular Letter to All Member Companies

RF-10-11

September 22, 2010

EDGE Online - Rollout in 4th Quarter 2010

We are pleased to announce that we are in the final stages of testing the next phase of our new information system EDGE, and if the project proceeds as currently planned, the system will be ready for online access by member companies during the 4th quarter of this year.

Companies will, for the first time, be able to access their cessions, accounting transactions, billings and payments all online.

Timeline Highlights:

- Last Accounting month to be processed by AIPSO – September 2010 **due date Monday, October 25, 2010.**
- Last Uncorrected Questionable Transactions (FQ-1) corrections to be processed by AIPSO – **due date Friday October 22, 2010.** No corrections will be processed while we migrate to the new system. After EDGE goes live, member companies will begin to enter corrections online.
- September Account Activities will be processed and distributed as usual.
- October Account Activities will be processed by EDGE and available online ONLY.
- EDGE will become available for online access to member companies mid-November.
- Training will be provided to member companies via webinars to be held in late October and early November – dates to be announced. Multiple sessions will be held so users can attend one that works for them.

There will be more details to come in the coming weeks.

New system highlights:

Web Security

EDGE is a web-based application that will require a login to access. Please note that the NCRF-NCRB-NCIGA have designed a web security system that will provide member companies a single sign-on access to all web applications the user is authorized to access. Most companies already have a Master Web Administrator account set up. These individuals within each company will be contacted in the near future to set up the authorized user accounts for the EDGE system. If you are already set up for another web application with the NCRF-NCRB-NCIGA, your rights will simply be updated to grant access to EDGE; otherwise, users will be granted new logins and user IDs.

Real-time Ceding of Policies

Once EDGE becomes available online for member companies, the Facility will no longer accept or process paper cessions, bordereau, or NCRF-7 forms. Companies will use EDGE to enter policy information real-time and receive immediate confirmation. Modifications, withdrawals and reinstatements will also be handled online. Cession key-entry billings will be eliminated.

Online Accounting Transactions

Companies will be able to create premium and loss transactions directly in EDGE. Run-off companies which have previously been specifically exempted from FTP reporting requirements will also be able to report transactions via this method.

Online Error Corrections

No more FQ-1 reports or correction sheets! The Uncorrected Questionable Transaction reports (FQ-1) will no longer be printed and mailed to companies. Questionable transactions will be available for review and online correction on the day following the submission of accounting files. Corrections will be real-time, and historical data related to the transactions will also be available for review online.

What's changing with EDGE?

Losses Not Reimbursed

One of the changes that will take place with the implementation of EDGE is the **elimination of the current Losses Not Reimbursed** procedure. A loss not reimbursed is defined as any loss that has appeared on the member company Uncorrected Questionable Transactions (FQ-1) report for seven consecutive months. Each company was reimbursed for these losses when they were first reported, even though the loss records were identified as “questionable” or “ineligible” on the report. After the seventh processing month, the Facility offsets the dollar amount but not the transaction. This offset appears under Section B of the Monthly Account Activity statement.

This procedure was not programmed into EDGE, and therefore all Losses Not Reimbursed transactions must be brought to zero before the member companies can go live on EDGE.

Under separate cover, companies have been advised that the loss transactions that are currently rejected on the FQ-1 report need **immediate attention**. Communications were directed to the parties receiving this error report from AIPSO and to the parties receiving the monthly Account Activity statements.

We ask that you review the transactions that appear on the FQ-1 report with # of months 7 or greater and all losses with the "W" error, and strive to correct or reverse the transactions prior to 10/22/2010. These are losses that would appear on your Losses Not Reimbursed report. **Please note that the 10-05-2010 FQ-1 corrections will be due on 10-22-2010, rather than 10-25-2010, due to the cut-over to EDGE.** Please refer to Section 4, Chapter 7 of the NCRF Standard Practice Manual for instructions on how to correct or reverse these records.

Transactions not resolved by 10/25/2010 will be automatically offset from the FQ-1 report by the Facility.
Waivers

Since companies will be able to view, research and correct transactions online, the Facility will no longer grant waivers of late premium charges for Cessions Without Premiums - Charge Listings once EDGE goes live. Details regarding how Charge List items billed under the old system will be handled will be published at a later date.

Account Activities and Other Billings

The monthly Account Activity statement will become a single monthly statement reflecting all Facility charges and payment history. It will be available online only; hard copies will no longer be mailed. These statements will reflect all financial transactions, display balance forward and payments received information and will eliminate other billings.

What's NOT changing with EDGE?

The reporting due dates will remain the same, as will the monthly billing cycles.

There are no file format changes or programming changes required at the company level to use EDGE.

What you need to do NOW to get ready:

1. **Pass this information along to your IT/Accounting/Facility Reporting specialists.**
2. **Check with your Migration Coordinator to confirm updated contact information has been returned to NCRF.**
3. **Work on correcting any Losses Not Reimbursed (see above). Any transaction not corrected by 10-25-10 will be automatically offset by the Facility.**
4. **Mark your calendars to have all correction sheets delivered to AIPSO on or before 10 a.m. Friday, October 22, 2010.** Corrections sheets delivered after that time may not be processed at all. If you plan to submit a lot of corrections for that month, we strongly urge you to send them to AIPSO as you get them ready, rather than all at once at the end of the month.
5. **Mark your calendars to have all Monthly Accounting files delivered before Monday, October 25, 2010. Please note this is the normal cut-off date; however, any file problems that arise which cannot be resolved on the 25th will be omitted from processing for that accounting month. IT IS IMPERATIVE THAT WE RECEIVE ALL MONTHLY ACCOUNTING FILES ON TIME AND IN GOOD ORDER TO GET A PROPER CLOSE OUT AND MIGRATE TO THE NEW SYSTEM.**

What you should have ALREADY done:

1. **Selected a Migration Coordinator and submitted contact info to NCRF.**
2. **Submitted Monthly Accounting Report by the 25th day after the close of the accounting month (see Circular RF-06-12).**
3. **Completed FTP transmission testing and converted to FTP Data Reporting.**

What you'll need to do LATER:

The following information should help you in your planning.

1. **Register for Web administration accounts for on-line access prior to EDGE Online going live – you will be notified when this process begins.**
2. **Register for EFT (Electronic Funds Transfer) settlement options for consolidated billing. (This feature will be delivered in a future phase. You will be notified when this is available for sign up.)**

Getting a Word in EDGEwise



This is a major milestone for the Facility and is the product of years of planning, development and testing of a new processing system for both the Facility staff and member companies. This system reflects a successful collaboration between the Facility and its members and AIPSO, and we gratefully acknowledge the input, testing and feedback provided by all.

This is a very exciting time for all of us. We ask for your continued support and cooperation as we enter into the home stretch and take EDGE live.

Edith T. Davis

Edith T. Davis
Director, Reinsurance Facility

Please direct questions or correspondence regarding EDGE to Jo-Anne Mooney at 919-582-1036 or jdm@ncrb.org. She'll make sure you're connected with the person best able to help. Visit our EDGE FAQs on our website at <http://www.ncrb.org/ncrf/>.