

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-08-18

October 24, 2008

EDGE Progress Report

FTP Phase I – Completed in April

April of this year marked an important milestone for the EDGE project as we completed the migration for all qualifying companies to the new FTP data reporting process. We achieved 100% compliance by the April 11th deadline.

The Reinsurance Facility would like to extend our gratitude once again to AIPSO staff and to all NCRF Member Insurance Companies for your cooperation and commitment in this important transition to a single electronic data reporting standard.

Since April, we have been receiving all Cession files & Monthly Accounting Reports from companies via the new FTP process and seamlessly transmit the files to AIPSO for processing. We are pleased to report that the process is running smoothly and the phased-in implementation approach has allowed companies a break-in period to adjust to the new reporting method and to make any additional improvements in their processes before we proceed to the next phase.

We have received positive feedback from companies about how the FTP data reporting change has streamlined company processes and we plan to continue the phased-in implementation approach for the EDGE system over the next year.

FTP Phase II – Scheduled to Go Live on October 28th!

Effective Tuesday, October 28, 2008 the NC Reinsurance Facility will launch the next phase of the EDGE system implementation – **FTP Phase II**. This next phase of EDGE marks another evolution in the data reporting process with the Facility.

FTP Phase II features include:

- Real time file validation for critical errors
- File Transmission Status and Accept/Reject Notifications via Email
- Automated file balancing of Monthly Accounting Reports
- Record Count of Cessions Received in the Email (Cession File Transmissions)

What's changing with FTP Phase II ?

Updated Contact Info for FTP File Transmission Email Notifications: In preparation for the rollout of FTP Phase II, the Facility solicited updated contact information from member

companies' Migration Coordinators to ensure we have primary contacts and valid email addresses for contacts that should receive the new FTP file transmission email notifications. *(Please check with your Migration Coordinator for any questions about the updated contact information which they provided to the Facility.)*

All FTP file transmissions to the Facility will receive automated email notifications confirming the receipt and acceptance or rejection status of files.

Effective October 28th, if you are not receiving an email confirmation for a file transmitted to the Facility, please notify FTP Support at ftpsupport@ncrb.org.

NOTE: *Files submitted after normal business hours will also receive confirmation of receipt and transmission status via email on or before the next business day.*

During this next phase, the Facility will forward only the accepted files to AIPSO for final processing. AIPSO will complete the file processing as usual.

If the file is rejected by the Facility for critical errors or is out of balance (i.e. Accounting files), the email notification sent to the company will provide details of the error conditions found in the file so that companies can quickly and easily determine how to correct the errors and resubmit a new file before the due date.

As part of this transition, companies will be directed to contact the Facility directly with any questions or issues pertaining to accepted or rejected FTP files. (FTP Support Contact Info: ftpsupport@ncrb.org or 919-582-1056).

REMINDER: *NCRF encourages companies to continue reporting Monthly Accounting Reports in advance of the cutoff dates to allow sufficient time for files to be corrected in case of any errors and resubmitted in good order before the deadline.*

Innovation in Action

I have been very involved with the FTP process. I LOVE it. I can now preview the detail and summary records before we send it— I was never able to view the tape cartridge. I actually detected a coding issue that was incorrect and had it fixed BEFORE it got to NCRF and AIPSO. I also like the 25-day lag much better than the 45-day lag. Using 21st century technology is great!

Margaret Menard – Travelers Insurance

Most Frequent Critical Errors:

Several critical error trends were identified by the Reinsurance Facility during analysis of production FTP files transmitted over the last several months. The Facility has targeted companies with recurring critical errors prior to FTP Phase II implementation to proactively assist companies in correcting errors that would result in file rejections in the future. Following are the most frequently detected errors:

1. **Invalid file naming convention (including invalid company code, accounting month/yr, invalid date/time stamp or duplicate file name)**
2. **Cession Files - Invalid prefix in Cession trailer records (prefix should be 8)**
3. **Cession Files - Multiple trailer records in a single Cession file**
4. **Accounting Reports – invalid accounting month in the file / does not match accounting month in file name**
5. **Accounting Reports – Loss Reserves reported on non-quarter ending month (unless the amount is zero)**
6. **Accounting Reports – out of balance due to missing summary or detail records**

Please remember, effective October 28th and after, files that contain these or any other critical errors not in compliance with Facility data reporting guidelines as defined in the [FTP Instruction Guide](#), will be rejected via email notification.

What's NOT changing with FTP Phase II?

With the implementation of FTP Phase II on October 28th, there will continue to be no changes to the following processes. These processes will later convert to online processing once the EDGE online system is available in future implementation phases.

Exceptions:

- **Correction sheets – continue sending to AIPSO monthly for Error Report corrections & contact AIPSO for any assistance.**
- **Paper cession notices – continue sending directly to NCRF at this time. [Online Cessions Demo Available Soon!]**
- **Run-off Companies - Companies that are in run-off status and specifically excused from the FTP setup requirements by the Facility will be allowed to continue to report directly to AIPSO until the EDGE online system goes live.**

What do 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 was returned to NCRF by the October 8th deadline.*
3. *Confirm any ongoing file error conditions have been corrected before October 28th (if contacted by NCRF).*

What you should have ALREADY done

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

What you'll need to do LATER:

The following information should help you in your planning.

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

Innovation in Action



Online Cessions Demo – COMING SOON!

- Companies will be getting a “SNEAK PEAK” of the EDGE online system by the end of October.
- There will be a demo version of the online cession processing feature available.
- Companies that currently submit paper cessions will be invited to participate in testing through November.
- Later, all companies will be invited to preview this online service scheduled for future implementation.

More details on this will be coming next week.

Getting a word in EDGEwise



We are very happy to bring you this next phase of improved reporting and functionality from EDGE. We recognize the efforts of the member companies to achieve this and genuinely appreciate your cooperation and all of the feedback you have provided which enables us to improve our processes and ultimately provide you better services. Please do not hesitate to comment on this next phase of service. More great things are coming!

Edith T. Davis
Director, Reinsurance Facility

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Please direct questions or correspondence regarding EDGE to: Summer Bartshe at 919-645-3187 or srw@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/>