



COMPENSATION RATING AND INSPECTION BUREAU

60 PARK PLACE
NEWARK, NEW JERSEY 07102
(973) 622-6014

PAUL G. WITKO
Executive Director

September 19, 2018

ADVISORY BULLETIN #62

Revised Late Fines and Acknowledgement Form Due Date For 2019 Aggregate Financial Calls

As part of a complete Financial Call review, the Bureau examined its present fine structure for untimely submissions, and also reviewed the approaches used by other Data Collection Organizations (DCOs). Currently, the Bureau levies fines for timeliness on a flat, \$5,000 per-company basis for the first two weeks. The fine for data submitted more than two weeks late is then increased to \$10,000.

In order to ensure greater consistency with approaches used by other DCOs, the Governing Committee of the Bureau approved a revised fine structure commencing with the 2019 aggregate financial calls. The revised fines will be applied as follows on a per-company, per-call, and per-day approach:

- \$150/day for the first 5 business days (1 week)
- \$250/day for the next 10 business days (2 weeks)
- \$1,000/day for the next 25 business days (5 weeks)
- \$2,500/day for the remaining days until the call is received
- The maximum fine per call is the greater of \$5,000 or 0.2% of the prior year Call 1W's Calendar Year Earned Premium.
- The maximum fine for homeowners' only carriers (Call 6) is \$10,000.

In addition to the above changes in the fines for late reporting, the due date of the acknowledgement form is revised and will now be required by March 1st. The revised fine structure will also apply to the late submission of the acknowledgement form.

If you have any questions, please contact Leonard Hsieh (x249) or Krystal A. Ross (x251).

Krystal A. Ross, ACAS, MAAA
Chief Actuary