

The Surety Association of America

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March 27, 1997

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TO: ALL REPORTING COMPANIES
MINIMUM LEVEL

RE: CODING CHANGES
Mercantile and Governmental Entities
Commercial Crime Policy -
Discovery and Loss Sustained Coverages

The Surety Association of America has filed in all states, where required, several new insurance products. This filing will apply to all bonds and policies written on and after April 1, 1997. To capture statistical data, new and revised statistical codes for discovery coverage and loss sustained coverage have been established.

Enclosed with this letter are copies of the changes made to the SAA Fidelity and Surety MINIMUM Statistical Plan (Page 33) and Actuarial Edit Definitions (Error Code 135). Please replace the existing statistical plan page and edit definitions pages with the enclosed. Final printed pages of the statistical plan will be distributed at a later date.

New or revised material is indicated by a star (\$). Within the edit definitions, all new valid coverage codes are listed in bold and italic.

For additional information about discovery coverage, please refer to the mailing from Robert Olausen, dated January 23, 1997, that was addressed To All Companies - Chief Bonding Officer and Fidelity Department.

If you have any questions, please do not hesitate to contact me at (908)632-4867.

LORRAINE A. CARTON

LAC/
Enclosure

FORM OF COVERAGE CODE

§ 1. MERCANTILE AND GOVERNMENTAL ENTITIES

FORM OF COVERAGE	DISCOVERY COVERAGE		LOSS SUSTAINED COVERAGE	
	HONESTY	FAITHFUL PERFORMANCE	HONESTY	FAITHFUL PERFORMANCE
COVERAGE FORM A – EMPLOYEE DISHONESTY – BLANKET Coverage Form A – Blanket.....	7	7	1	1
COVERAGE FORM A – EMPLOYEE DISHONESTY – SCHEDULE Coverage Form A – Schedule.....	0	0	0	0

FORM OF COVERAGE	DISCOVERY COVERAGE	LOSS SUSTAINED COVERAGE
COVERAGE FORM B – FORGERY OR ALTERATION Coverage Form B.....	6	9

FORM OF COVERAGE	DISCOVERY COVERAGE	LOSS SUSTAINED COVERAGE
COVERAGE FORMS O and P – PUBLIC EMPLOYEE DISHONESTY Coverage Form O – Per Loss.....	7	1
Coverage Form P – Per Employee.....	8	2
Coverage Form O – Per Loss with Faithful Performance of Duty Coverage.....	7	1
Coverage Form P – Per Employee with Faithful Performance of Duty Coverage.....	8	2

APPENDIX B (V900 Revised)

VERSION: 010
SAA RELEASE DATE: 4-1-97
ERROR CODE: V135

PAGE: B-1
SEVERITY CLASS: 6

FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 111	0, 1, 6, 7, 9
\$ 121	0, 1, 6, 7, 9
\$ 211	0, 1, 6, 7, 9
\$ 311	0, 1, 6, 7, 9
\$ 312	0, 1, 6, 7, 9
\$ 315	0, 1, 6, 7, 9
\$ 319	0, 1, 6, 7, 9
\$ 321	0, 1, 6, 7, 9
\$ 325	0, 1, 6, 7, 9
\$ 331	0, 1, 6, 7, 9
\$ 332	0, 1, 6, 7, 9
\$ 333	0, 1, 6, 7, 9
\$ 335	0, 1, 6, 7, 9
\$ 411	0, 1, 6, 7, 9
\$ 412	0, 1, 6, 7, 9
\$ 415	0, 1, 6, 7, 9
\$ 419	0, 1, 6, 7, 9
\$ 421	0, 1, 6, 7, 9
\$ 425	0, 1, 6, 7, 9

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FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 426	0, 1, 6, 7, 9
\$ 428	0, 1, 6, 7, 9
\$ 429	0, 1, 6, 7, 9
\$ 431	0, 1, 6, 7, 9
\$ 433	0, 1, 6, 7, 9
\$ 435	0, 1, 6, 7, 9
\$ 437	0, 1, 6, 7, 9
\$ 439	0, 1, 6, 7, 9
\$ 440	0, 1, 6, 7, 9
\$ 441	0, 1, 6, 7, 9
\$ 443	0, 1, 6, 7, 9
\$ 444	0, 1, 6, 7, 9
\$ 446	0, 1, 6, 7, 9
\$ 448	0, 1, 6, 7, 9
\$ 449	0, 1, 6, 7, 9
\$ 461	0, 1, 6, 7, 9
\$ 469	0, 1, 6, 7, 9
\$ 471	0, 1, 6, 7, 9
\$ 475	0, 1, 6, 7, 9

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ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 476	0, 1, 6, 7, 9
\$ 478	0, 1, 6, 7, 9
\$ 479	0, 1, 6, 7, 9
\$ 481	0, 1, 6, 7, 9
\$ 483	0, 1, 6, 7, 9
\$ 485	0, 1, 6, 7, 9
\$ 487	0, 1, 6, 7, 9
\$ 489	0, 1, 6, 7, 9
\$ 490	0, 1, 6, 7, 9
\$ 491	0, 1, 6, 7, 9
\$ 493	0, 1, 6, 7, 9
\$ 494	0, 1, 6, 7, 9
\$ 496	0, 1, 6, 7, 9
\$ 498	0, 1, 6, 7, 9
\$ 499	0, 1, 6, 7, 9
\$ 511	0, 1, 6, 7, 9
\$ 512	0, 1, 6, 7, 9
\$ 519	0, 1, 6, 7, 9
\$ 521	0, 1, 6, 7, 9

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FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 525	0, 1, 6, 7, 9
\$ 529	0, 1, 6, 7, 9
\$ 531	0, 1, 6, 7, 9
\$ 539	0, 1, 6, 7, 9
\$ 541	0, 1, 6, 7, 9
\$ 542	0, 1, 6, 7, 9
\$ 545	0, 1, 6, 7, 9
\$ 551	0, 1, 6, 7, 9
\$ 555	0, 1, 6, 7, 9
\$ 556	0, 1, 6, 7, 9
\$ 561	0, 1, 6, 7, 9
\$ 565	0, 1, 6, 7, 9
\$ 571	0, 1, 6, 7, 9
\$ 579	0, 1, 6, 7, 9
\$ 581	0, 1, 6, 7, 9
\$ 585	0, 1, 6, 7, 9
\$ 586	0, 1, 6, 7, 9
\$ 587	0, 1, 6, 7, 9
\$ 589	0, 1, 6, 7, 9

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FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 611	0, 1, 6, 7, 9
\$ 631	0, 1, 6, 7, 9
\$ 635	0, 1, 6, 7, 9
\$ 638	0, 1, 6, 7, 9
\$ 640	0, 1, 6, 7, 9
\$ 643	0, 1, 6, 7, 9
\$ 645	0, 1, 6, 7, 9
\$ 647	0, 1, 6, 7, 9
\$ 651	0, 1, 6, 7, 9
\$ 652	0, 1, 6, 7, 9
\$ 655	0, 1, 6, 7, 9
\$ 660	0, 1, 6, 7, 9
\$ 661	0, 1, 6, 7, 9
\$ 662	0, 1, 6, 7, 9
\$ 669	0, 1, 6, 7, 9
\$ 671	0, 1, 6, 7, 9
\$ 675	0, 1, 6, 7, 9
\$ 677	0, 1, 6, 7, 9
\$ 678	0, 1, 6, 7, 9

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PAGE: B-6
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FIDELITY & SURETY MINIMUM STATISTICAL PLAN
 ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 681	0, 1, 6, 7, 9
\$ 682	0, 1, 6, 7, 9
\$ 683	0, 1, 3, 6, 7, 9
\$ 691	0, 1, 3, 6, 7, 9
\$ 692	0, 1, 3, 6, 7, 9
\$ 695	1, 3, 6, 7, 9
\$ 697	0, 1, 3, 6, 7, 9
720	1, 2, 3, 4, 6, 7, 8
721	1, 2, 3, 4, 6, 7, 8
722	1, 2, 3, 4, 6, 7, 8
723	1, 2, 3, 4, 6, 7, 8
724	1, 2, 3, 4, 6, 7, 8
725	1, 2, 3, 4, 6, 7, 8
726	1, 2, 3, 4, 6, 7, 8
727	1, 2, 3, 4, 6, 7, 8
728	1, 2, 3, 4, 6, 7, 8
729	1, 2, 3, 4, 6, 7, 8
730	2, 3, 4, 5, 7, 8
762	2, 3, 4, 5, 7, 8
770	1, 2, 3, 4, 6

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FIDELITY & SURETY MINIMUM STATISTICAL PLAN
 ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
771	1, 2, 3, 4, 6
772	1, 2, 3, 4, 5, 6
773	1, 2, 3, 4, 6
774	2, 3, 4, 5
775	2, 3, 4, 5
780	2, 3, 4, 6, 7
782	5, 6
783	1, 2, 3, 4, 6, 7, 8
784	1, 2, 3, 4, 6, 7, 8
790	1
793	5
794	1, 2, 3, 4, 6, 7, 8
795	0, 5
815	2, 3, 7, 8
§ 816	0, 1, 6 , 7 , 9
§ 817	0, 1, 6 , 7 , 9
§ 818	0, 1, 6 , 7 , 9
§ 819	0, 1, 6 , 7 , 9
§ 832	0, 1, 6 , 7 , 9
§ 833	0, 1, 6 , 7 , 9

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ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>
\$ 834	0, 1, 6, 7, 9
\$ 835	0, 1, 6, 7, 9
851	2, 3, 7, 8
852	2, 3, 7, 8
853	2, 3, 6, 8
854	2, 3, 6, 8
\$ 869	0, 1, 6, 7, 9
\$ 871	2, 3, 6, 8
\$ 872	0, 1, 6, 7, 9
\$ 873	0, 1, 6, 7, 9
\$ 880	0, 1, 6, 7, 9
\$ 881	0, 1, 6, 7, 9
\$ 882	0, 1, 6, 7, 9
\$ 884	0, 1, 6, 7, 9
\$ 951	0, 1, 6, 7, 9
\$ 952	0, 1, 6, 7, 9
\$ 961	1, 2, 3, 4, 6, 7, 8, 9
\$ 962	1, 2, 3, 4, 6, 7, 8, 9
\$ 963	1, 2, 3, 4, 6, 7, 8, 9

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FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: CLASS OF INSURED CODE and FORM OF COVERAGE CODE (continued)

PROCEDURE:

<u>If the CLASS OF INSURED CODE is:</u>	<u>then valid FORM OF COVERAGE CODES are:</u>	
\$ 970	1, 2, 3, 4, 6, 7, 8, 9	
\$ 971	1, 2, 3, 4, 6, 7, 8, 9	
\$ 972	1, 2, 3, 4, 6, 7, 8, 9	
\$ 973	1, 2, 3, 4, 6, 7, 8, 9	
\$ 974	1, 2, 3, 4, 6, 7, 8, 9	
\$ 975	1, 2, 3, 4, 6, 7, 8, 9	
\$ 976	1, 2, 3, 4, 6, 7, 8, 9	
\$ 977	1, 2, 3, 4, 6, 7, 8, 9	
\$ 979	1, 2, 3, 4, 6, 7, 8, 9 ; otherwise invalid.	(V135)