MEMORANDUM

DATE: January 1, 2010
TO: All Reporting Companies (Minimum Level)
FROM: Ed O’Donnell
RE: Distribution of Updated Actuarial Edit Definition Pages

Enclosed are updated pages of the Actuarial Edit Definitions of the Fidelity and Surety Statistical Plan (Minimum Level).

Edit Definitions V112, V14, and V115 were revised. Changes were made to accept financial guaranty bonds (Class Codes 580, 581, and 597) of longer duration.

Please contact Ed O’Donnell at eodonnell@surety.org or 202-778-3632 for information regarding this material.
FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: TRANSACTION EXPIRATION DATE (Field: Columns 15-17)

PROCEDURE:

1) Error Constraint(s):

Valid entries for TRANSACTION EXPIRATION DATE field are:

for EXPIRATION MONTH field (Column 15), 0, 1, 2, 3, 4, 5, 6, 7, 8, 9, - (Zone Punch 11) or & (Zone Punch 12);

for EXPIRATION YEAR field (Columns 16-17), 00-39 or 80-99

a) If the CLASS OF INSURED CODE is 580, 581, or 597, then EXPIRATION YEAR field (Columns 16-17) must be 00--99;

a) If the CLASS OF INSURED CODE is 1XX-4XX, 501-579, 582-596, or 6XX-9XX, then for EXPIRATION YEAR field (Columns 16-17) must be 00-39 or 80-99; otherwise invalid.

(V112)
FIDELITY & SURETY MINIMUM STATISTICAL PLAN
ACTUARIAL EDIT DEFINITIONS

EDIT: ACCOUNTING DATE and TRANSACTION EFFECTIVE DATE

PROCEDURE:

1) Do not perform this edit if error code V103 (ACCOUNTING DATE) or V111 (TRANSACTION EFFECTIVE DATE) is present.

2) Error Constraint(s):

   If the CLASS OF INSURED CODE is not 580, 581, or 597, then The ACCOUNTING DATE must be no greater than 78 months before or 96 months after the TRANSACTION EFFECTIVE DATE.  (V114)

3) Specifications:

   a) AM = ACCOUNTING MONTH, EM = EFFECTIVE MONTH
      TAY = TRANSMITTAL ACCOUNTING YEAR, EY = EFFECTIVE YEAR

   b) If 1 ≤ AM ≤ 9, set XM = AM
      If AM = 0, set XM = 10,
      If AM = -, set XM = 11,
      If AM = &, set XM = 12.

   c) If 1 ≤ EM ≤ 9, set ZM = EM
      If EM = 0, set ZM = 10,
      If EM = -, set ZM = 11,
      If EM = &, set ZM = 12.

   d) If 80 ≤ AY ≤ 99, set XY = AY
      If 00 ≤ AY ≤ 39, set XY = 100 + AY

   e) If 80 ≤ EY ≤ 99, set ZY = EY
      If 00 ≤ EY ≤ 39, set ZY = 100 + EY

   f) Let E5 = (XM – ZM) + 12(XY – ZY)

      If -80 ≤ E5 ≤ 96, then valid.  (V114)
EDIT: TRANSACTION EFFECTIVE DATE and TRANSACTION EXPIRATION DATE

PROCEDURE:

1) Do not perform this edit if error code V111 (TRANSACTION EFFECTIVE DATE) or V112 (TRANSACTION EXPIRATION DATE) is present.

2) Error Constraint(s):
   a) If the CLASS OF INSURED CODE is 1XX-4XX, 500-579, 582-596, or 598-9XX, then the TRANSACTION EXPIRATION DATE must be greater than or equal to the TRANSACTION EFFECTIVE DATE but not greater than 600 months after the TRANSACTION EFFECTIVE DATE.
   b) If the CLASS OF INSURED CODE is 580, 581, or 597, then the TRANSACTION EXPIRATION DATE must be greater than or equal to the TRANSACTION EFFECTIVE DATE.

3) Specifications:
   a) EXM = EXPIRATION MONTH, EM = EFFECTIVE MONTH
      EXY = EXPIRATION YEAR, EY = EFFECTIVE YEAR
   b) If 1 ≤ EXM ≤ 9, set XM = EXM
      If EXM = 0, set XM = 10,
      If EXM = -, set XM = 11,
      If EXM = &, set XM = 12.
   c) If 1 ≤ EM ≤ 9, set ZM = EM
      If EM = 0, set ZM = 10,
      If EM = -, set ZM = 11,
      If EM = &, set ZM = 12.
   d) If 80 ≤ EXY ≤ 99, set XY = EXY
      If 00 ≤ EXY ≤ 39, set XY = 100 + EXY
   e) If 80 ≤ EY ≤ 99, set ZY = EY
      If 00 ≤ EY ≤ 39, set ZY = 100 + EY
   f) Let E4 = (XM – ZM) + 12(XY – ZY)
      If 0 ≤ E4 ≤ 600, then valid.