

General	
Amount Paid in CY X	$\sum[(\text{Part } 3)_{\text{Column } X} - (\text{Part } 3)_{\text{Column } X-1}]$
Δ Case Reserves in CY X	<ol style="list-style-type: none"> $\sum[(\text{Part } 2) - (\text{Part } 3) - (\text{Part } 4)]_{\text{Column } X} - \sum[(\text{Part } 2) - (\text{Part } 3) - (\text{Part } 4)]_{\text{Column } X-1}$ Create a triangle using Case reserves (CR) = Part₂ – Part₃ – Part₄ for each entry and take $\sum[(\text{CR})_{\text{Column } X} - (\text{CR})_{\text{Column } X-1}]$
Case Incurred in CY X	<ol style="list-style-type: none"> Amount Paid in CY X + ΔCase Reserves in CY X <p>Recommended Approach</p> <ol style="list-style-type: none"> $[\text{Incurred as of CY X}] - [\text{Bulk and IBNR as of CY X}]$ <ul style="list-style-type: none"> $\sum(\text{Part } 2)_{\text{Column } X} - \sum(\text{Part } 4)_{\text{Column } X}$

Sample Diagnostics	
Diagnostic	Formula
Average Case Outstanding	$\frac{\text{Part}_2 - \text{Part}_3 - \text{Part}_4}{\text{Part}_{5,\text{Section } 2}}$
Average Unpaid Outstanding	$\frac{\text{Part}_2 - \text{Part}_3}{\text{Part}_{5,\text{Section } 2}}$
Total Claim Closure Rate	$\frac{\text{Part}_{5,\text{Section } 3} - \text{Part}_{5,\text{Section } 2}}{\text{Part}_{5,\text{Section } 3}}$ <ul style="list-style-type: none"> Part_{5,Section 3} – Part_{5,Section 2} is the total claims closed Part_{5,Section 1} is only claims closed with pay
Claims Outstanding	$\frac{\text{Part}_{5,\text{Section } 2}}{\text{Part}_{5,\text{Section } 3}}$
Paid to Case Incurred	$\frac{\text{Part}_3}{\text{Part}_2 - \text{Part}_4}$

Intercompany Pooling Premium and Loss Adjustments	
Intercompany Pooling: Schedule P	<ol style="list-style-type: none"> Gross = (Pooling Percentage)(All Company Total) Ceded = 0
Intercompany Pooling: Non-Schedule P	<ol style="list-style-type: none"> Ceded for Non-Leads = Non-Lead Direct Gross for Lead = All-Company Total Ceded for Lead = (All-Company Total)(1 – Lead Pooling %) Gross for Non-Lead = Non-Lead Direct + (All-Company Total)(Non-Lead Pooling %) <ul style="list-style-type: none"> Note: Direct amounts and pooling % will likely vary for each non-lead company

Calculation of Parts 2 and 3 for 2014 Schedule P

Given Information

Part 2			
	2011	2012	2013
Prior			
2012	x		
2013	x	x	

Part 3			
	2011	2012	2013
Prior			
2012	x		
2013	x	x	

Part 4			
	2011	2012	2013
Prior			
2012	x		
2013	x	x	

Step 1 – Calculate the new Part 3 (Paid) Triangle

Part 3			
	2012	2013	2014
Prior	0	Blue-Red	Blue-Red + Given CY 2014 Paid figures up to AY 2012
2013	x	Green	Green + Given CY 2014 Paid figures from AY 2013
2014	x	x	Given CY 2014 Paid figures from AY 2014

Step 2 – Calculate the new Part 2 (Incurred) Triangle

- Note: The premise is to calculate Unpaid values from the given information and add the Paid values from Step 1

Part 2			
	2012	2013	2014
Prior	[Purple – Red] + Paid Above	[Orange – Blue] + Paid Above	Given CY 2014 Unpaid figures up to AY 2012 + Paid Above
2013	x	[Grey – Green] + Paid Above Grey	Given CY 2014 Unpaid figures from AY 2013 + Paid Above
2014	x	x	Given CY 2014 Unpaid figures from AY 2014 + Paid Above

- Note: “Given CY 2014 Unpaid figures” includes both Case Outstanding and IBNR amounts