

## Loss Transfer

We have been receiving various questions from our clients regarding the reporting of Loss Transfer. This TIPS bulletin provides some detailed examples of how to accurately report Loss Transfer to IBC. Please check your systems, documentation and procedures to ensure you are reporting accordingly.

### Scenario:

Your insured drives a large truck and hits a small private passenger car. The following are examples of how Loss Transfer is applied:

1. No injuries are claimed by your insured but injuries are claimed by the third party. In this case, your company should report this claim under Loss Transfer as follows:

#### Plan 8 (Auto):

Paid Losses – Kind 2 (first payment)  
Transaction type = 7  
Coverage = 10  
Kind of Loss = 07  
Amount = \$3,000 (example)  
Claim Count = 1

2. Assuming that there are two different Accident Benefits claims, one under Medical (kind of loss 41) and another under Cost of Examination (kind of loss 86), the company insuring the third party will report its insured claims to IBC on both plans 7 and 8 as two separate transactions:

#### Plan 8 (Auto):

Transaction type = 7  
Coverage = 74  
Kind of loss = 41  
Amount = \$1000 (example)  
Claim Count = 1

Transaction type = 7  
Coverage = 74  
Kind of loss = 86  
Amount = \$2000 (example)  
Claim Count = 1

#### Plan 7 (OSAB):

Transaction type = 6  
Coverage = 74  
Kind of loss = 41  
Amount = \$1000 (example)

Transaction type = 6  
Coverage = 74  
Kind of loss = 86  
Amount = \$2000 (example)

3. The third party's company is transferring the loss to you and you are reimbursing them. They have to report the transfer of funds received from your company to IBC as follows:

**Plan 8 (Auto):**

Transaction type = P

Coverage = 74

Kind of loss = 61

Amount = \$1000 (example)

Claim Count = 1

Transaction type = P

Coverage = 74

Kind of loss = 96

Amount = \$2000 (example)

Claim Count = 1

**Plan 7 (OSAB):**

Transaction type = 6

Coverage = 74

Kind of loss = 61

Amount = \$1000(-) (example)

Transaction type = 6

Coverage = 74

Kind of loss = 96

Amount = \$2000(-) (example)

With regard to Plan 8 (Auto), the first time a claim is reported with an outstanding reserve transaction, make sure that the claim count is one. The first payment should always be reported with claim count one and if there are subsequent transactions -- regardless of kind (paid or outstanding reserves) -- the claim count should be zero.

We encourage you to disseminate this TIPS bulletin to others within your organization who would benefit from this information.

If you have any questions or would like further information, please contact your Data Quality Analyst.