



# Data Now Program (DNP) Advanced Unit Validation Edits

## Key Takeaways

- Remember the Three-Step Process
- Use Your Resources
- Use Detailed Explanations

## Chapter 1: Understanding Validation Edits

### Validation Edit Types

- Submission
  - Automatically identifies suspect data upon receipt
- Post-Submission
  - NCCI validators identify suspect data while reviewing Unit Data that has already been received

### Identifying Validation Edits

Use these reports to find and manage your validation edits.

Report or Alert	Submission	Post-Submission
Unit Submission Results Report	✓	
Unit Daily Submission Results Report	✓	
Outstanding Suspect Conditions Report	✓	✓
Rejected Suspect Condition Explanations	✓	✓
Post-Submission Suspect Conditions Report		✓

- You can find the Unit Submission Results Report and the Unit Daily Submission Results Report in the **Unit Data Collection (UDC)** tool
- NCCI sends the Outstanding Suspect Conditions Report and Rejected Suspect Condition Explanations by email to the unit contact every Friday morning
- NCCI sends the Post-Submission Suspect Conditions Report out nightly when new edits are created



Data Now Program (DNP)  
**Advanced Unit Validation Edits**

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## Chapter 2: Three-Step Process to Address Unit Validation Edits

### Validation Submission Edit Workflow

1. Identify—You can use any of these options to identify the edits.
  - a. Data Reports.
  - b. **UDC** Validation screen.
  - c. **Data Manager Dashboard**.
2. Research—Follow these steps to determine the cause of the issue.
  - a. Review your source system to verify that the data is accurate.
  - b. For edits that look across multiple report levels, view the history of the claim in **UDC** to see what changed.
  - c. Refer to the **Statistical Plan** and **Unit Statistical Reporting Guidebook** for clarification and examples of the reporting rules.
  - d. Check the Edit and Validation Matrix for additional information pertaining to the edit.
3. Resolve—Resolve the edit using the applicable option.
  - a. Correct inaccurate data at the appropriate report levels. You can use **UDC** or **Data Transfer via the Internet (DTVl)**.
  - b. Respond with a detailed explanation on the **UDC** Validation screen if the data is correct.

#### Notes:

- You may need to provide both corrections and a detailed explanation. In these circumstances, submit the corrections first and then add explanations.
- Research a unit again if your validator requests additional information.



# Data Now Program (DNP) Advanced Unit Validation Edits

## Chapter 3: Validation Edit L183

### Edit Message

Maximum Aggregate/Large Losses

### Identify

- Identify the edit using the Validation screen in **UDC**
- Check the journal for more details as to what the L183 is asking to verify and/or correct

Explanations History

Copy	Condition Status	Rpt Nbr	Corr Seq	Date	Explanations	User
1	OPEN	3	0	11/6/2023 12:45:22 PM	TWO ISSUES: 1) INCURRED INDEMNITY HAS SIGNIFICANTLY INCREASED BETWEEN REPORTING PERIODS. 2) CLAIM HAS INJURY TYPE THAT APPEARS INCONSISTENT WITH THE INCREASED INCURRED INDEMNITY AMOUNTS REPORTED. PLEASE PROVIDE A DETAILED EXPLANATION TO SUPPORT THE CLAIM INFORMATION OR SUBMIT CORRECTIONS TO ENSURE ACCURATE REPORTING AT ALL REPORT LEVELS.	NCCI

10 items per page 1 - 1 of 1 items

- Click the Details button to view the Claim details for more information

### Research

Look at the claim development in **UDC** and verify

All Claim(s) View

Update Type	Claim Nbr	Accident	Rpt Nbr	Corr Seq	Class Code	Claim Status	Inj Type	Cat Nbr	Claim DG	Incur Indem	Pd Indem	Incur Med	Pd Med	Incur ALAE	Pd ALAE	Cimnt Atty Fees	Emplr Atty Fees
Settlement Type	Jur St	Act Code	Loss Type	Recovery Type	Claim Type	Body Part	Nature of	Inj Cause	Voc Rehab	Lump Sum Ind	Occupation Desc	Claim Count	Fraud Ind	MCO Type	Ded Reimburse		
R	CLAIM1	01/01/18	3	0	5551	0	05	10	25	750,000	150,000	110,000	90,000	40,000	25,000	0	0
	00		01	01	01	01	18	10	25	N	N	DOING STUFF	1	00	00	0	
R	CLAIM1	01/01/18	2	0	5551	0	05	0	0	150,000	100,000	110,000	80,000	40,000	25,000	0	0
	00		01	01	01	01	18	10	25	N	N	DOING STUFF	1	00	00	0	
R	CLAIM1	01/01/18	1	0	5551	0	05	0	0	150,000	90,000	110,000	70,000	30,000	25,000	0	0
	00		01	01	01	01	18	10	25	N	N	DOING STUFF	1	00	00	0	

1. Incurred indemnity significantly increased at 3rd report
2. The injury type 05 temporary total appears unusual vs. 750,000 incurred indemnity

### Resolve

1. Corrected the injury type at 3rd report after reviewing source system

Claim Information

Update Type R	Claim Nbr CLAIM1	Accident 01/01/18	Class Cd 5551	Rpt Nbr 3
Inj Type 03	Claim Status 0	Claim Count 1	Cat Nbr 0	Jur St 0
Fraud Ind 00	MCO Type 00	Voc Rehab N	Lump Sum Ind N	Occupation Desc DOING STUFF

- Provide a detailed verification for the increase in incurred indemnity in the Explanation Journal
- In this scenario, NCCI reviews and accepts the corrections and explanations



# Data Now Program (DNP) Advanced Unit Validation Edits

## Chapter 4: Validation Edit C821

### Edit Message

The Distribution of Claims Appears Suspect Compared to the Exposure Amount in the Class

### Identify

- Identify the edit using the Validation screen in **UDC**
- Click the Details button to view the Claim details for more information

Show me how - Grouping Export Results

Drag a column header and drop it here to group by that column

Details	Carrier	Pol Nbr	Pol Eff	State	Risk ID	Claim Nbr	Class Code	Rpt Nbr	Type Code	Status	Condition Created	Due	Explanation Journal	Last Updated
	45856	C821EXAMPLE21A1	01/01/21	AL-01		N/A	2095	1	C821	OPEN	11/22/23	02/20/24		NCCI (On: 11/22/23)
	45856	C821EXAMPLE21A1	01/01/21	AL-01		N/A	8810	1	C821	OPEN	11/22/23	02/20/24		NCCI (On: 11/22/23)

1 - 2 of 2 items

- Edit flagged on Class Codes 2095 and 8810

### Research

- Look deeper into what the C821 is referring to by visiting the Validation Tab on the unit

Header/Name	Exposure	Claim	Total	History	Validation						
C821											
- Condition Created <span style="float: right;">Export Results</span>											
»Collapse All											
Carrier	Pol Nbr	Pol Eff	Class Code	Expos Amt	Premium Amt	Indem Claim Count	Med Claim Count	NCCI Comments	Status	Due	Explanation Journal
Condition Created: 11/22/23 Status: OPEN											
45856	C821EXAMPLE21A1	01/01/21	2095	66,473,113	1,661,828	2	2	TWO ISSUES: 1) THE AMOUNT OF PAYROLL REPORTED IN CC2095 HAS SIGNIFICANTLY INCREASED FROM THE 2020 TO 2021 POLICIES. 2) THE NUMBER OF CLAIMS REPORTED IN CC2095 APPEAR LOW, GIVEN THE AMOUNT OF PAYROLL.	OPEN	02/20/24	
45856	C821EXAMPLE21A1	01/01/21	8810	12,969,167	12,969	22	6	THE NUMBER OF CLAIMS REPORTED IN CC8810 APPEAR HIGH, GIVEN THE AMOUNT OF PAYROLL, FOR THE 2021 POLICY. PLEASE PROVIDE A DETAILED EXPLANATION FOR THE IDENTIFIED SUSPECT REPORTING ON THE 2021 POLICY, OR	OPEN	02/20/24	
45856	C821EXAMPLE20A1	01/01/20	2095	49,281,785	1,232,045	16	4	Informational Only			
45856	C821EXAMPLE20A1	01/01/20	8810	13,188,803	13,189	0	2	Informational Only			
45856	C821EXAMPLE19A1	01/01/19	2095	46,497,123	1,162,428	12	2	Informational Only			
45856	C821EXAMPLE19A1	01/01/19	8810	12,383,225	12,383	0	1	Informational Only			

1 - 6 of 6 items

- In this scenario, check the source system or check with the carrier's audit department to verify payroll and claims reporting



# Data Now Program (DNP) Advanced Unit Validation Edits

## Resolve

### 1. Reclassify the claims classified to CC8810 incorrectly

+ Add Claim		x Delete Claim(s)		View Claim(s)									
Delete	Edit	Details	DG	Update Type	Claim Nbr	Accident	Class Cd	Inj Type	Claim Status	Rpt Nbr	Corr Seq	Activity Status	
<input type="checkbox"/>			0	R	CLAIM1	06/10/21	2095	05	1	1	0		
<input type="checkbox"/>			0	R	CLAIM2	11/24/21	2095	06	1	1	0		
<input type="checkbox"/>			0	R	CLAIM3	09/10/21	2095	05	1	1	0		
<input type="checkbox"/>			0	R	CLAIM4	06/08/21	2095	06	1	1	0		
<input type="checkbox"/>			0	R	CLAIM5	02/25/21	8810	06	1	1	0		
<input type="checkbox"/>			0	R	CLAIM6	06/23/21	8810	06	1	1	0		
<input type="checkbox"/>			0	R	CLAIM7	11/02/21	8810	06	1	1	0		
<input type="checkbox"/>			0	R	CLAIM8	03/15/21	8810	05	1	1	0		
<input type="checkbox"/>			0	R	CLAIM9	04/20/21	8810	06	1	1	0		
<input type="checkbox"/>			0	R	CLAIM10	08/19/21	8810	06	1	1	0		

### 2. Provide a detailed verification for the payroll increase after corrections are submitted:

The payroll increase reported in CC2095 was on an account of an acquisition in 2021. The acquisition added more payroll in CC2095 in particular.

2

Save Explanation Clear

[Show me how - Copy](#)

Copy	Condition Status	Rpt Nbr	Corr Seq	Date	Explanations	User
	OPEN	1	0	11/22/2023 11:30:45 AM	TWO ISSUES: 1) THE AMOUNT OF PAYROLL REPORTED IN CC2095 HAS SIGNIFICANTLY INCREASED FROM THE 2020 TO 2021 POLICIES. 2) THE NUMBER OF CLAIMS REPORTED IN CC2095 APPEAR LOW, GIVEN THE AMOUNT OF PAYROLL, FOR THE 2021 POLICY. PLEASE PROVIDE A DETAILED EXPLANATION FOR THE IDENTIFIED SUSPECT REPORTING ON THE 2021 POLICY, OR SUBMIT CORRECTIONS.	NCCI

10 items per page 1 - 1 of 1 items



# Data Now Program (DNP) Advanced Unit Validation Edits

## Chapter 5: Validation Edit L331

### Edit Message

Claim Is Reported with Type of Recovery Code 02, 03, or 04 and Net Incurred Loss Is Lower than the Gross Incurred Losses in Prior Report Levels with Type of Recovery Code 01

### Identify

- Identify the edit using the Validation screen in *UDC*

Show me how - Grouping Export Results

Drag a column header and drop it here to group by that column

Details	Carrier	Pol Nbr	Pol Eff	State	Risk ID	Claim Nbr	Class Code	Rpt Nbr	Type Code	Status	Condition Created	Due <sup>1</sup>	Explanation Journal	Last Updated
	45856	L331EXAMPLEA0	01/01/20	CO-05		CLAIM1	N/A	3	L331	OPEN	10/24/23	02/21/24		Data Provider <sup>1</sup> (On: 10/24/23)
	45856	L331EXAMPLEA0	01/01/20	CO-05		CLAIM1	N/A	2	L331	OPEN	10/24/23	02/21/24		Data Provider <sup>1</sup> (On: 10/24/23)
	45856	L331EXAMPLEA0	01/01/20	CO-05		CLAIM1	N/A	1	L331	OPEN	10/24/23	02/21/24		Data Provider <sup>1</sup> (On: 10/24/23)

- Edit flagged for CLAIM1 on report levels 1 to 3

### Research

Look closer at the data.

Claim Nbr	Accident	Rpt Nbr	Corr Seq	Class Code	Claim Status	Inj Type	Cat Nbr	Claim DG	Incur Indem	Pd Indem	Incur Med	Pd Med
Settlement Type	Jur St	Act Code	Loss Type	Recovery Type	Claim Type	Body Part	Nature of Inj	Inj Cause	Voc Rehab	Lump Sum Ind	Occupation Desc	Claim Count
CLAIM1	01/01/20	3	1	8831	1	05	0	2	5,000	5,000	10,000	10,000
00		01	2	03	01	10	10	10	N	N	DOING STUFF	1
CLAIM1	01/01/20	2	0	8831	0	05	0	2	20,000	15,000	20,000	10,000
00		01	01	01	01	10	10	10	N	N	DOING STUFF	1
CLAIM1	01/01/20	1	0	8831	0	05	0	2	20,000	10,000	20,000	5,000
00		01	01	01	01	10	10	10	N	N	DOING STUFF	1

Notice that at 3rd report level:

- Gross incurred losses are lower, and
- There is a Recovery Type Code

We will need to check with the carrier's claims department to determine if the recovery is accurate.



## Data Now Program (DNP) Advanced Unit Validation Edits

### Resolve

Assume that the claims department verifies that the recovery is correct. We need to submit corrections to the 1st and 2nd reports to:

1. Reduce the incurred and paid losses to their appropriate values, and
2. Add Recovery Code 03

Claim Nbr	Accident	Rpt Nbr	Corr Seq	Class Code	Claim Status	Inj Type	Cat Nbr	Claim DG	Incur Indem	Pd Indem	Incur Med	Pd Med
Settlement Type	Jur St	Act Code	Loss Type	Recovery Type	Claim Type	Body Part	Nature of Inj	Inj Cause	Voc Rehab	Lump Sum Ind	Occupation Desc	Claim Count
CLAIM1	01/01/20	3	1	8831	1	05	0	0	5,000	5,000	10,000	10,000
00		01	01	03	01	10	10	10	N	N	DOING STUFF	1
CLAIM1	01/01/20	2	1	8831	0	05	0	0	5,000	5,000	10,000	10,000
00		01	2	03	01	10	10	10	N	N	DOING STUFF	1
CLAIM1	01/01/20	1	1	8831	0	05	0	0	5,000	5,000	10,000	5,000
00		01	2	03	01	10	10	10	N	N	DOING STUFF	1



# Data Now Program (DNP) Advanced Unit Validation Edits

## Chapter 6: Validation Edit L332

### Edit Message

Type Of Recovery Code Change Is Inconsistent Across Report Levels

### Identify

- Identify the edit using the Validation screen in **UDC**

Show me how - Grouping Export Results

Drag a column header and drop it here to group by that column

Details	Carrier	Pol Nbr	Pol Eff	State	Risk ID	Claim Nbr	Class Code	Rpt Nbr	Type Code	Status	Condition Created	Due <sup>1</sup>	Explanation Journal	Last Updated
	45856	L332EXAMPLEF11	01/01/20	GA-10		CLAIM1	N/A	2	L332	OPEN	05/15/24	06/30/24		Data Provider <sup>1</sup> (On: 05/15/24)
	45856	L332EXAMPLEF11	01/01/20	GA-10		CLAIM1	N/A	1	L332	OPEN	05/15/24	06/30/24		Data Provider <sup>1</sup> (On: 05/15/24)

1 - 2 of 2 items

- Edit flagged for CLAIM1 on reports 1 and 2

### Research

Look closer at the data.

Update Type	Claim Nbr	Accid...	Rpt Nbr	Corr Seq	Class Code	Claim Status	Inj Type	Cat Nbr	Claim DG	Incur Indem	Pd Indem	Incur Med	Pd Med	Incur ALAE	Pd ALAE	Cmnt Atty Fees	Emplr Atty Fees
Settlement Type	Jur St	Act Code	Loss Type	Recovery Type	Claim Type	Body Part	Nature of Inj	Inj Cause	Voc Rehab	Lump Sum Ind	Occupation Desc	Claim Count	Fraud Ind	MCO Type	Ded Reimburse		
R	CLAIM1	01/18/20	2	0	8810	0	05	0	2	50,101	20,000	22,000	22,000	0	0	0	0
	00		01	01	01		10	10	N	N	TESTER	1	00	00	0		
R	CLAIM1	01/18/20	1	1	8810	0	05	0	2	50,101	10,000	22,000	10,000	0	0	0	0
	00		01	01	03		10	10	N	N	TESTER	1	00	00	0		

Notice that

- there is no recovery (Recovery Type Code 01) at 1st report, but
- there is a subrogation recovery (Recovery Type Code 03) at 2nd report.

We will need to check with the carrier's claims department to determine which Recovery Type Code is accurate.



## Data Now Program (DNP) Advanced Unit Validation Edits

### Resolve

Assume that the 03 Recovery Type Code is inaccurate. We need to submit a correction to the 1st report to change to Recovery Type Code to a 01.

Update Type	Claim Nbr	Accid...	Rpt Nbr	Corr Seq	Class Code	Claim Status	Inj Type	Cat Nbr	Claim DG	Incur Indem	Pd Indem	Incur Med	Pd Med	Incur ALAE	Pd ALAE	Climnt Atty Fees	Emplr Atty Fees
	Settlement Type	Jur St	Act Code	Loss Type	Recovery Type	Claim Type	Body Part	Nature of Inj	Inj Cause	Voc Rehab	Lump Sum Ind	Occupation Desc	Claim Count	Fraud Ind	MCO Type	Ded Reimburse	
R	CLAIM1	01/18/20	2	0	8810	0	05	0	0	50,101	20,000	22,000	22,000	0	0	0	0
	00		01	01	01	01	10	10	10	N	N	TESTER	1	00	00	0	
C	CLAIM1	01/18/20	1	2	8810	0	05	0	0	50,101	10,000	22,000	10,000	0	0	0	0
	00		01	01	01	01	10	10	10	N	N	TESTER	1	00	00	0	



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## Appendix A: Subrogation Rules and Resources

For complete NCCI **Statistical Plan** rules, refer to:

- Part 4-A-1-a—Subrogation
- Part 4-A-1-b—Assessments and Special Funds
- State exceptions to above listed parts

For additional details, refer to the **Unit Statistical Reporting Guidebook** and review:

- Part 5—Loss and Expense Information and Examples of reporting subrogation recovery claims
- Part 12—Edit and Validation Matrices for details of the upcoming edit changes outlined in the **Unit Statistical Reporting Guidebook**