Unit Statistical Data—State Programs and Exceptions

Presented by:
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Objective

To become familiar with the reporting requirements for state-specific programs and state exceptions related to reporting Unit Statistical data.
State Rule References

State Premium Programs

Employer Paid/Compensation Reimbursement Programs

State Exceptions to National Rules

Deductible Programs

1

2

3

4

5
Resources

**Statistical Plan**
- National rules for reporting Unit Statistical data
- State exception rules

**Unit Statistical Reporting Guidebook**
- Instructions, guidelines, and examples for reporting Unit Statistical data
- State-specific programs

What Is a State Exception?

- National Rule Does Not Apply
- Modified Version of National Rule
- Unique State Exception/Program
- National Code Values Do Not Apply
- Unique Code Values and/or Statistical Codes
How to Identify State Exceptions

Part 1—General Rules
I. Date of Valuation and Filing
3. Three-Year Fixed Rate Policies
(Exceptions: FL, TX)
A completed three-year experience incurred under the policy must be reported as one complete policy. Cancellation penalty premium must be reported.

State Exceptions
Part 1—General Rules
I. Date of Valuation and Filing
3. Three-Year Fixed Rate Policies
Change Part 1, Item I-3 as follows:
Three-year fixed-rate policies are not permitted in Florida.

Statistical Plan—Coding Values

2. Fraudulent Claim Code
Fraudulent Claim Code identifies whether or not a claim involves fraud.

<table>
<thead>
<tr>
<th>Code</th>
<th>Type of Fraudulent Claim Code</th>
<th>Description</th>
<th>Additional Rules and/or Exceptions (If Applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>Not Fraudulent</td>
<td>The claim does not involve fraud.</td>
<td>Refer to Part 4, Item A-1-c(1)(a2) — Portion of Claim Fraudulent. For all states except Florida, Code 01 is applicable only to policies effective prior to 10/01/2014. For Florida, Code 01 is applicable only to policies.</td>
</tr>
<tr>
<td>01</td>
<td>Partially Fraudulent</td>
<td>A portion of the claim is determined to be fraudulent in accordance with NCCI’s Statistical Plan rules.</td>
<td>Refer to the Nevada exception in Part 4, Item A-1-c(1) — Fraudulent Claims Definition. Refer to the Vermont exception in Part 4, Item A-1-c(1) — Fraudulent Claims Definition.</td>
</tr>
</tbody>
</table>
### Statistical Plan—Statistical Codes

#### 3. Premium Amount Not Part of Standard Premium

<table>
<thead>
<tr>
<th>Phraseology</th>
<th>Stat Code</th>
<th>Premium Credit (-) or Debt (+)</th>
<th>Applicable States</th>
<th>Effective Date</th>
<th>Discontinued Date</th>
<th>Notes (If Applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancellation Fee/Surcharge</td>
<td>9776</td>
<td>Debt (+)</td>
<td>AR</td>
<td>08/01/2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancellation Fee/Surcharge</td>
<td>9776</td>
<td>Debt (+)</td>
<td>GA</td>
<td>01/01/2012</td>
<td></td>
<td>This code is effective for 1st unit statistical reports valued as of January 2012 and thereafter. Refer to Georgia’s exception to Rule 3-4-3-0-0—Reasons for Cancellation and Premium Determination in NCCI's Basic Manual.</td>
</tr>
<tr>
<td>Catastrophe Provisions for Domestic Terrorism, Earthquakes, and Industrial Accidents</td>
<td>9741</td>
<td>Debt (+)</td>
<td>AL, AZ, CO, CT, DC, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MS, MT, NE, NH, NV, OK, OR, RI, SC, SD, TN, UT, VT</td>
<td>02/01/2005</td>
<td>08/31/2008</td>
<td>Refer to Alabama’s exception to Rule 3-4-3-0-0—Reasons for Cancellation and Premium Determination in NCCI's Basic Manual.</td>
</tr>
<tr>
<td>Catastrophe Provisions for Domestic Terrorism, Earthquakes, and Industrial Accidents</td>
<td>9741</td>
<td>Debt (+)</td>
<td>AR</td>
<td>07/01/2005</td>
<td>08/31/2008</td>
<td></td>
</tr>
<tr>
<td>Catastrophe Provisions for Domestic Terrorism, Earthquakes, and Industrial Accidents</td>
<td>9741</td>
<td>Debt (+)</td>
<td>TN</td>
<td>07/01/2005</td>
<td>08/31/2008</td>
<td></td>
</tr>
<tr>
<td>Catastrophe Provisions for Domestic Terrorism, Earthquakes, and Industrial Accidents</td>
<td>9741</td>
<td>Debt (+)</td>
<td>WV</td>
<td>07/01/2005</td>
<td>08/31/2008</td>
<td></td>
</tr>
</tbody>
</table>
Penalties for Delays in Making Compensation Payments

**National Rule**
- Carrier penalties for reasons *beyond* its control
  - Included in indemnity loss
- Carrier penalties for reasons *within* its control
  - Excluded from indemnity loss

**Florida, Maine, and Texas State Exceptions**
- Florida—Penalties should not be reported as a loss or charged to claim expense
- Maine—All penalties must be excluded from medical losses, indemnity losses, and Allocated Loss Adjustment Expense (ALAE)
- Texas—Rule does not apply

**What Is Subrogation?**

Recovery from a third party that has legal liability to a claim
What Is a Second Injury Fund?
A fund established by a state for the purpose of compensating a partially disabled employee who sustains another injury.

Subrogation Reporting

National Rule
• Subrogation based on when the recovery is received
• Corrections, required for previous reports (1st–5th), if applicable

Oregon Exception
• Subrogation based on anticipated recovery
• Correction reports not allowed
Correction Reports for Subrogation

**National Rule**
Corrections to 1st–5th reports, if applicable, when subrogation recovery occurs

**Connecticut and Georgia**
Corrections to all report levels for subrogation, up to the 10th report

Correction Reports for Subrogation and Second Injury Fund (SIF)

**National Rule**
Corrections, if applicable, to 1st–5th reports, when recovery or anticipated reimbursements occur

**Louisiana**
Corrections to all report levels for subrogation and Second Injury Funds
Florida Vocational Rehabilitation

National
Vocational rehabilitation is concerned with the prospect of returning an injured worker to gainful employment.

Florida
• Reemployment Services—services needed by the injured employee to secure suitable, gainful employment
• Medical Care Coordination—activities to ensure proper medical treatment and to assist in the containment of medical costs

Review
Which state’s Vocational Rehabilitation program has Reemployment Services and Medical Care Coordination?
In which state is subrogation based on anticipated recovery?
Corrections are needed to all report levels for subrogation and Second Injury Funds in which state?
What Is a Deductible?

Insured agrees to pay or be responsible for a portion of the loss
Deductible Programs

Small and Large Deductible Programs
- Small < $100,000
- Large >= $100,000

Gross and Net Deductible Programs
- Gross:
  - Full value loss amounts
  - Ded. Reimbursement Field = Zero
- Net:
  - Full value of loss less
  - Deductible Amount
  - Ded. Reimbursement Field = Deductible Amount

Statistical Codes
- Code 9664—Subject to Experience Rating
- Code 9663—Not Subject to Experience Rating
- Code 9657—Not Part of Standard Premium

Unique Deductible Rules

National Rule—Deductible Reimbursement Amount Definition
- Report deductible reimbursement once received

Anticipated reimbursement
- Colorado
- Kansas

National Rule—Reimbursements Received Between Valuations
- Report deductible reimbursement at next valuation when received between valuations

Report corrections for reimbursement when received
- Georgia
• **Hawaii (Medical-Only Program)**
  - Program still applies if a medical-only claim develops indemnity losses

• **Maine (Medical-Only Program and Indemnity-Only Program)**
  - Program still applies if a medical-only claim develops indemnity losses or an indemnity-only claim develops medical losses

• **Iowa (Medical-Only Program)**
  - Program will not apply if a medical-only claim develops indemnity losses

### States With Net Deductible Reimbursement Caps

- **Colorado** $17,500
- **Oklahoma** $5,000
- **Georgia** $2,500
- **Maine** $5,000
### Colorado Small Deductibles

<table>
<thead>
<tr>
<th>Policy Effective Date</th>
<th>Header Record</th>
<th>Exposure Record</th>
<th>Experience Rating</th>
<th>Loss Record</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Type of Deductible Code</td>
<td>Type of Plan Code</td>
<td>Deductible Amount Per Claim</td>
<td>Statistical Code</td>
</tr>
<tr>
<td>1/1/20</td>
<td>Indemnity and Medical (03)</td>
<td>Per Claim (01)</td>
<td>$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500, 16,000, 16,5000, 17,000, 17,500</td>
<td>9664</td>
</tr>
<tr>
<td>1/1/19–12/31/2019</td>
<td>Indemnity and Medical (03)</td>
<td>Per Claim (01)</td>
<td>$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500, 16,000, 16,5000, 17,000</td>
<td>9664</td>
</tr>
<tr>
<td>1/1/17–12/31/18</td>
<td>Indemnity and Medical (03)</td>
<td>Per Claim (01)</td>
<td>$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500, 16,000, 16,5000</td>
<td>9664</td>
</tr>
<tr>
<td>1/1/16–12/31/16</td>
<td>Indemnity and Medical (03)</td>
<td>Per Claim (01)</td>
<td>$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500, 16,000</td>
<td>9664</td>
</tr>
<tr>
<td>1/1/15–12/31/15</td>
<td>Indemnity and Medical (03)</td>
<td>Per Claim (01)</td>
<td>$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500</td>
<td>9664</td>
</tr>
</tbody>
</table>

### Colorado Deductible Program Claim Example

- **Policy effective date = 7/1/15**
- **Claim with total incurred loss = $20,000**

What is reported in the Deductible Reimbursement Amount field?

<table>
<thead>
<tr>
<th>Total Incurred Loss</th>
<th>Deductible Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,000</td>
<td></td>
</tr>
</tbody>
</table>
Oklahoma Deductible Program

Per-Claim, Per-Claim and Policy Aggregate, and Large and Mega Deductible Programs

Deductible Reimbursement Rules

• Per-Claim Program—Report the per-claim deductible amount up to $5,000
• Per-Claim and Policy Aggregate Program—Report the per-claim deductible amount up to $5,000 for each claim; total of all claims can not exceed the aggregate amount
• Large and Mega Deductibles—Report $0

Statistical Code 9657—Premium Credit Not Part of Standard Premium

Oklahoma Deductible Reporting Example

Lynette’s Construction Company has three claims for $5,000 each. How do you report these claims under the following options:

• Per-Claim Deductible Program Option—$5,000 per claim

<table>
<thead>
<tr>
<th>Claims</th>
<th>Deductible Reimbursement Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim 1</td>
<td>$5,000</td>
</tr>
<tr>
<td>Claim 2</td>
<td>$5,000</td>
</tr>
<tr>
<td>Claim 3</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

• Per-Claim and Policy Aggregate Program Option—$5,000 per claim/$10,000 aggregate

<table>
<thead>
<tr>
<th>Claims</th>
<th>Deductible Reimbursement Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim 1</td>
<td>$5,000</td>
</tr>
<tr>
<td>Claim 2</td>
<td>$5,000</td>
</tr>
<tr>
<td>Claim 3</td>
<td>$5,000</td>
</tr>
</tbody>
</table>
Texas Small-Deductible Programs

<table>
<thead>
<tr>
<th>Type of Deductible</th>
<th>Type of Plan</th>
<th>Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indemnity and Medical</td>
<td>Per Accident (02)</td>
<td>$1,000, $2,500, $5,000, $10,000, $25,000</td>
</tr>
<tr>
<td>Indemnity and Medical</td>
<td>Per Claim (01)</td>
<td>$1,000, $2,500, $5,000, $10,000, $25,000</td>
</tr>
<tr>
<td>Medical-Only</td>
<td>Per Claim (01)</td>
<td>$500, $1,000, $1,500, $2,000, $2,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Deductible</th>
<th>Type of Plan</th>
<th>Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indemnity and Medical</td>
<td>Negotiated (13)</td>
<td>Per Accident Greater Than $25,000</td>
</tr>
<tr>
<td>Indemnity and Medical</td>
<td>Negotiated (13)</td>
<td>Per Claim Greater Than $25,000</td>
</tr>
<tr>
<td>Medical-Only</td>
<td>Negotiated (13)</td>
<td>Per Claim Greater Than $2,500</td>
</tr>
</tbody>
</table>

Review

Which state requires correction reports when received, if reimbursement is between valuations?
Which state has both Per-Claim and Policy Aggregate programs?
Which state has a $17,500 deductible reimbursement cap?
State Compensation Reimbursement Programs

**Idaho**
Indemnity and/or Medical
$1,000 Limit

**Missouri**
Medical-Only
$3,500 Limit

**Oregon**
Medical-Only
$2,200 Limit
Idaho Compensation Reimbursement Option

- Report reimbursement in Deductible Reimbursement Amount field not to exceed $1,000 if claims are less than or equal to $1,000.
- Report 0 in Deductible Reimbursement Amount field if claims are greater than $1,000.
- Submit corrections to all previous report levels, reducing the deductible reimbursement to 0 if the claim is initially <= $1,000 and subsequently becomes > $1,000.

Idaho Compensation Reimbursement Example

As of the 1st report, the claim included $250 Incurred Indemnity and $500 Incurred Medical.

<table>
<thead>
<tr>
<th>1st Unit Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incurred Indemnity</td>
</tr>
<tr>
<td>Incurred Medical</td>
</tr>
<tr>
<td>Deductible Reimbursement</td>
</tr>
<tr>
<td>$250</td>
</tr>
<tr>
<td>$500</td>
</tr>
</tbody>
</table>

As of the 2nd unit report, the claim included $1,000 Incurred Indemnity and $2,000 Incurred Medical.

<table>
<thead>
<tr>
<th>2nd Unit Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incurred Indemnity</td>
</tr>
<tr>
<td>Incurred Medical</td>
</tr>
<tr>
<td>Deductible Reimbursement</td>
</tr>
<tr>
<td>$1,000</td>
</tr>
<tr>
<td>$2,000</td>
</tr>
</tbody>
</table>
Idaho Compensation Reimbursement Example

The claim amounts have developed to $3,000 on the 2nd report; what happens to the 1st report?

<table>
<thead>
<tr>
<th>1st Unit Report</th>
<th>1st Unit Report Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incurred Indemnity</td>
<td>Incurred Medical</td>
</tr>
<tr>
<td>$250</td>
<td>$500</td>
</tr>
</tbody>
</table>

Since the claim has exceeded the $1,000 limit, a correction report is required.

Missouri Employer-Paid Medical Program

- Employer can pay for medical-only claims that do not exceed 20% of current Primary and Excess Loss Split Point amount based on Policy Effective Date
- Primary and Excess Loss Split Point amount is provided in the rating values of NCCI’s *Experience Rating Plan Manual*
- Current Maximum Amount = $3,500
  - Report full amount, if <$3,500
  - Report $0, if >$3,500
- Submit corrections to all previous report levels as necessary
Oregon Employer-Paid Medical Claims

Oregon employers may reimburse carriers for nondisabling medical-only claims

Maximum Medical Amount is determined annually by Oregon WCD (Bulletin 345)

Program changes are based on Accident Date

Accident Dates 1/1/20 and after—$2,200 maximum medical claim reimbursement

Review

Which state currently uses 20% of Split Point?
Which state has program changes based on Accident Date rather than Policy Effective Date?
Missouri 50% Rule

Why have this rule?

• To prevent the insured’s Experience Rating Modification Factor from increasing.

Did the Experience Rating Modification Factor increase by more than 50%?

• Yes—The carrier must revise the claim to equal the paid amount using a correction report.
**Florida Aggravated Inequity**

1. Experience-Rated Risks—Identify claims closed between unit report levels
2. Apply revised (closed) claim and recalculate the experience rating modification
3. Recalculate Standard Premium using revised experience modification
4. Compare original and revised standard premium; determine if it is reduced by 5% or more
5. Submit a correction report to reduce the claim to equal the closed claim value

**Florida Aggravated Inequity Example**

A claim meets the requirements for Aggravated Inequity:

<table>
<thead>
<tr>
<th>Paid Indemnity</th>
<th>Paid Medical</th>
<th>Incurred Indemnity</th>
<th>Incurred Medical</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,000</td>
<td>$8,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

The carrier must revise the claim to equal the paid amount using a correction report:

<table>
<thead>
<tr>
<th>Paid Indemnity</th>
<th>Paid Medical</th>
<th>Incurred Indemnity</th>
<th>Incurred Medical</th>
<th>Correction Type Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,000</td>
<td>$8,000</td>
<td>$7,000</td>
<td>$8,000</td>
<td></td>
</tr>
</tbody>
</table>
Maine Rule 450

• Claims involving aggravation of prior work-related injuries are excluded from employer’s experience rating modifications

• How to report:
  • Type of Settlement Code 10 (Aggravation of Prior Work-Related Injuries)
  • Prior to 1st report, full value of losses
  • Between 1st and 6th report levels, corrections are required
  • 6th through 10th report levels, report at next valuation

District of Columbia Safe Workplace

Safe Workplace Program certified by the Department of Employment Services

• Statistical Code 9765—Workplace Safety—Premium Credit

• If employer misrepresented its compliance with the program, employer must reimburse the credit
  • Report the reimbursed premium under Statistical Code 9766—Workplace Safety—Premium Debit
  • Do not remove the Safe Workplace Program premium credit reported with Statistical Code 9765
Georgia Experience Rating Verification

- Carriers must provide loss data to all experience rated employers
- Units-GA-2010-01
  - Pre-Reported Data
  - Post-Reported Data
- Carrier submits loss data along with GA Form GID-63
- GA Form GID-63 is used to confirm or dispute the accuracy of the loss data

Georgia Experience Rating Verification

Two Carrier Options

Pre-Reported Data
- Provide loss data to employer prior to unit reporting
- Following employer verification, submit unit report

Post-Reported Data
- Submit unit report to NCCI for the policy
- Provide loss data or unit report to employer
- Employer confirms accuracy, no further action needed
- Employer disputes accuracy, submit unit report correction, as needed
Georgia Work-Based Learning Program

- Administered by the Georgia Department of Education
- Hire students and provide new work experiences
- Premium credit is from 2% to 5%, depending on the number of students employed
- Maximum credit should not exceed $2,500
- Statistical Code 9777—Work-Based Learning Program—Not Subject to Experience Rating

Oklahoma Certified Workplace Medical Plan

Nonexperience Rated Employers

10% Premium Reduction

Statistical Code 9756
Texas Premium Programs

- Group Purchase of Workers Compensation
  - Policy Type Code 03—Group Policy Code
- Certified WC Healthcare Network
  - Certified Healthcare Network Policy Indicator—Y
  - Statistical Code 9874 (−)
  - Managed Care Organization (MCO) Code 07
- Liability Transfer Transaction (LTT)
  - Effective May 1, 2019
  - Do not report Unit Statistical data for a workers compensation policy issued in conjunction with an LTT

Risk Modeling Plan

Carrier Independently Filed Program—Individual Risk's characteristics/loss experience

- Texas—Policies Effective 9/1/13
- Missouri—Policies Effective 1/1/14
- Connecticut—Policies Effective 10/1/17 (voluntary only)
- South Dakota—Policies Effective 10/1/18 (voluntary only)

Statistical Codes

- 9147—Risk Modeling Plan—Premium Credit
- 9148—Risk Modeling Plan—Premium Debit
Alaska Catastrophe Provision

• Item Filing Announcement—Establishment of Alaska Miscellaneous Values for Catastrophe (Other Than Certified Acts of Terrorism)
• Item Filing Number—03-AK-2018
• Statistical Code 9741—Catastrophe Provisions for Catastrophe (Other Than Certified Acts of Terrorism)
• Effective January 1, 2020

Kansas Safety Seminar Premium

• Item Filing Announcement—Elimination of the Kansas Assigned Risk Safety Seminar Premium Credit Program
• Item Filing Number—RM-01-KS-2019
• Statistical Code 9880—Workplace Safety (Premium Credit)—Discontinued 12/31/2019
Review

Which state allows coverage under a Group Purchase program?
Which state is Rule 450 associated with?
Which state is the 50% Rule associated with?

Review

Which state gives a credit for hiring students and providing new work experiences?
Which state gives a 10% credit to employers with a Certified Workplace Medical Plan?