



Resources

- Reporting Rules
 - NCCI's *Statistical Plan*
- Additional Information and Examples
 - *Unit Statistical Reporting Guidebook*
 - *Financial Call Reporting Guidebook*
 - *Medical Data Call Reporting Guidebook*
 - *Indemnity Data Call Reporting Guidebook*
 - *Pool Data Reporting Guidebook*

Important Note

- NCCI Statistical Plan
 - National rules
 - NCCI states and IN
 - State exceptions
- Independent Bureaus Statistical Plans



Chapter 1: Loss Data Components

The gross incurred loss is the full value of the claim, which must be reported. It equals the sum of all paid and outstanding indemnity and medical amounts as of the valuation date.

Incurred Losses		Expenses	
Indemnity Incurred Loss (Paid and Outstanding)	Medical Incurred Loss (Paid and Outstanding)	Allocated Loss Adjustment Expenses (ALAE)	Unallocated Loss Adjustment Expenses (ULAE)

Indemnity Loss

What is Indemnity?

Indemnity related expenses incurred for the benefit of the claimant, or that the carrier is required to produce for the benefit of the claimant.

- Expenses Benefiting the Claimant
- Claim Reserves
- Compensation Benefits
- Claimant Attorney Fees
- Employers Liability Losses and Employer Liability Allocated Loss Adjustment Expense (ALAE)





Claim and Loss Reporting Topics and Statistical Plan Rules

Indemnity Loss

- Awards
- Penalties for Delays in Compensation Payments (beyond carrier's control)
- Vocational Rehabilitation (Return to Work)

Indemnity Loss

Vocational Rehab Expenses

- Testing
- Job Placement
- Schooling
- Evaluation

Medical Loss

The medical portion of a claim includes:

- Expenses Benefiting the Claimant
- Claim Reserves
- Doctor and Hospital Payments
- Impartial Examinations
- Other Medical Items
- Bonuses or Return-to-Work Incentives
- Physical Rehabilitation

Medical Loss

Physical Rehab Expenses

- Medical activities to achieve maximum medical recovery
- Provided by medically trained personnel
- Evaluations, therapies, consultations, and coordination of services

Expenses Excluded From Indemnity or Medical Losses

Loss adjustment expenses incurred for the benefit of the carrier

- Allocated Loss Adjustment Expense (ALAE)
- Unallocated Loss Adjustment Expense (ULAE)

ALAE

Allocated Loss Adjustment Expenses (ALAE) are excluded from the loss but are reported separately in the unit reports.

ALAE includes:

- Expenses allocated to a specific claim
- Attorney fees (staff or hired)





Claim and Loss Reporting Topics and Statistical Plan Rules

- Medical cost containment
- Court expenses, dispute resolution
- Claim expenses required by statute or regulation

ULAE

Unallocated Loss Adjustment Expenses (ULAE) are excluded from losses and is not directly allocated to a claim.

ULAE includes, but not limited to:

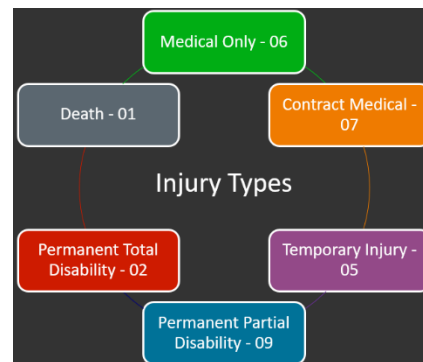
- Carrier Employee Salaries, Overhead, Travel
- Fees Paid to Independent Claim Services or Attorneys (Performing Claim Adjuster Duties)
- Penalties for Delays in Making Compensation Payments



Chapter 2: Claim Injury Fields

Injury Types

- Carrier’s estimate of the ultimate injury type of the claim
- Jurisdictional law
- Determined as of each valuation date
- Loss development
- Does not have to correspond to the type of benefit being paid as of the valuation date



Injury Type Code Validation Edits

Validation Edit Number	Description
L203	Claim is reported as death claim at one report level and as non-death claim at a subsequent report level
L202	Death claim is reported with vocational rehabilitation at one or more report levels
L201	Death claim is reported with low incurred indemnity at the 1st and/or subsequent report levels
L242	Medical-only claims display high incurred amounts at the 1st and/or subsequent report levels
L301	Frequency of fatal and/or permanent total claims appears suspect
L302	Claims are reported with a permanent total injury type and low incurred indemnity
L303	Claims are reported with a permanent total injury type but have suspect incurred amounts and/or medical amount
L304	Claims have been reassigned between permanent total and temporary total or permanent partial with suspect indemnity development
L306	A claim review across multiple report levels is required for suspect indemnity development and injury type coding from permanent partial to temporary total disability



Injury Type Code Standard Edits

Standard Edit Number	Description
0101-03	Data is invalid based on the exposure state for the accident date
0101-04	Medical only claim cannot have indemnity losses
0101-06	Indemnity claim reported without incurred indemnity amount

Injury Description Code



Part of Body—identifies the specific body part affected by the injury that is the most significant contributor to the expected overall cost of the claim.

Nature of Injury—identifies the type of injury for a given claim.

Cause of Injury—identifies the cause of the injury for a given claim.

Note: The Part of Body Code may change from one report level to the next. **Changes to Part of Body Code are considered loss development** and are reported on a going-forward basis (exceptions may apply).

Part of Body Code 65

- Part of Body Code 65 (Insufficient Information to Properly Identify)—Unclassified
- Correction reports submitted to all applicable unit report levels



Note: Once the specific Part of Body Code can be determined, submit correction reports with the appropriate Part of Body Code for all applicable unit report levels.



Injury Description Code Validation Edits

Validation Edit Number	Description
L802	Claims reported with injury descriptions with unlikely to result in death
L803	Part of Body and Nature of Injury code combinations appear invalid
L804	Part of body coding is inconsistent across report levels

Injury Description Code Standard Edit Examples

	Report Level	Part of Body	Nature of Injury	Cause of Injury	Edit
Data Grade 5	2	65	52	56	0098-05
	1	42	52	56	0098-06
Data Grade 4	2	65	52	56	0098-07
	1	65	52	56	0098-08

Knowledge Check

True or False:

- Your go-to resource for reporting rules is the Unit Statistical Reporting Guidebook. **True** or **False**?
- The Injury Type Code is the carrier’s estimate of the ultimate injury type of the claim. **True** or **False**?
- The Injury Type Code could change from one report level to the next. **True** or **False**?
- Standard unit edits allow you to provide an explanation for the data. **True** or **False**?

Chapter 3: COVID-19 Claim

COVID-19 Claims

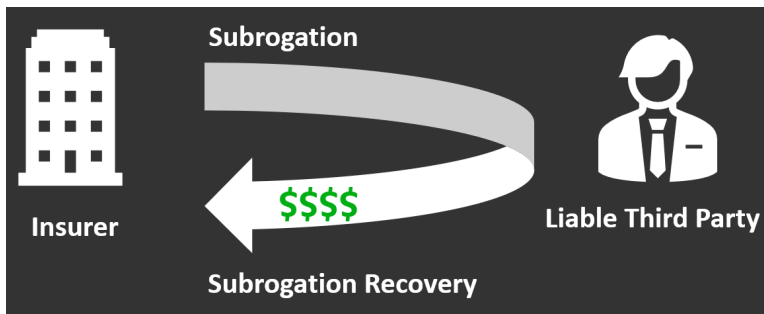
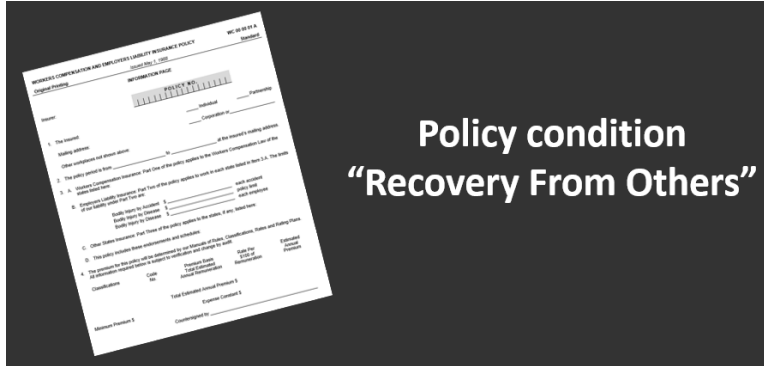
<p>Accident Dates 12/1/2019 – 6/30/2023</p> <div style="background-color: #f96; padding: 5px; margin-bottom: 5px; text-align: center;">ELE Cat Number 12</div> <div style="background-color: #f96; padding: 5px; margin-bottom: 5px; text-align: center;">Nature of Injury Code 83—COVID-19</div> <div style="background-color: #f96; padding: 5px; text-align: center;">Cause of Injury Code 83—Pandemic</div>		<p>Accident Dates 7/1/2023 and After</p> <div style="background-color: #4caf50; padding: 5px; margin-bottom: 5px; text-align: center;">No ELE Cat Number 12</div> <div style="background-color: #4caf50; padding: 5px; margin-bottom: 5px; text-align: center;">Nature of Injury Code 83—COVID-19</div> <div style="background-color: #4caf50; padding: 5px; text-align: center;">Cause of Injury Code 83—Pandemic (when pandemic applies)</div>
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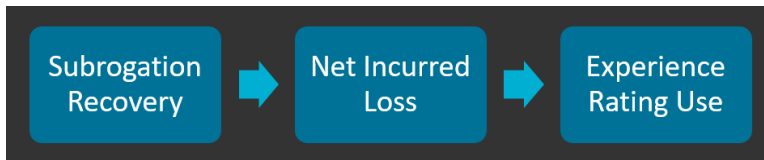
Chapter 4: Subrogation Recovery

Subrogation

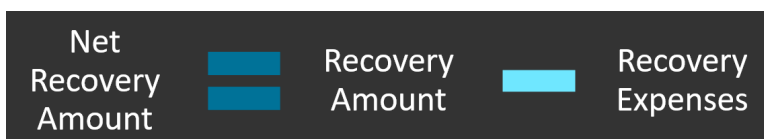
What is subrogation?



When a subrogation recovery is received, the **Statistical Plan** requires the net incurred loss to be reported:



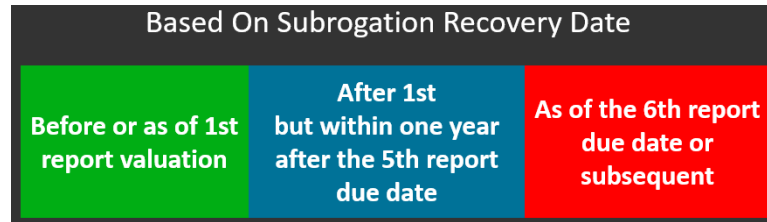
Subrogation Recovery			
Subrogation Date	Recovery Amount	Recovery Expenses	Allocation between indemnity and medical



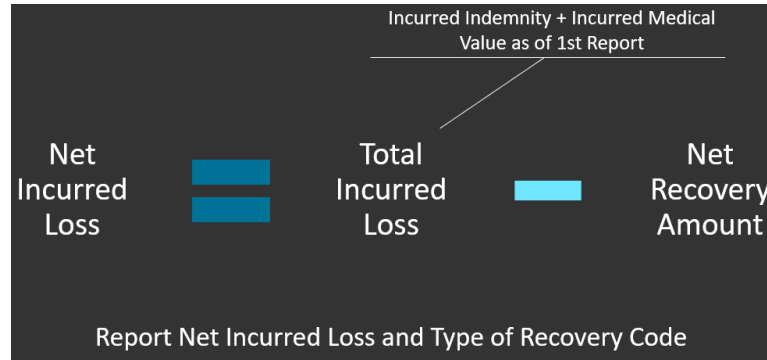


Claim and Loss Reporting Topics and Statistical Plan Rules

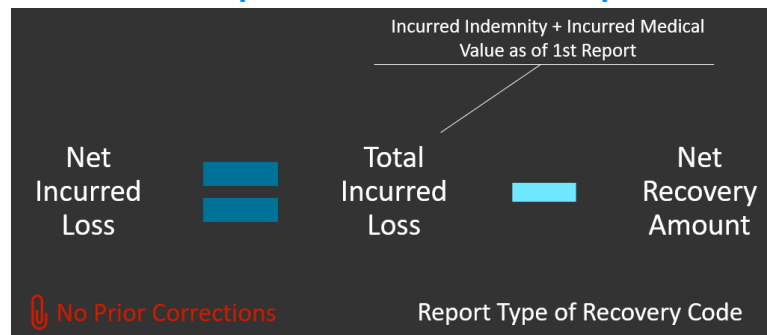
Determine Latest Report Level



Before or as of 1st report valuation



As of the 6th report due date or subsequent



After 1st but within one year after the 5th report due date

When the subrogation date or anticipated date is		Then the latest reported value of the claim is from the
After	But before	
1st report valuation date	2nd report valuation date	1st report
2nd report valuation date	3rd report valuation date	2nd report
3rd report valuation date	4th report valuation date	3rd report
4th report valuation date	5th report valuation date	4th report
5th report valuation date	1 year after the 5th report due date	5th report



Claim and Loss Reporting Topics and Statistical Plan Rules

Determine Which Report Levels Need Corrections

If the total recovery is 10% or more, next determine which report levels need corrections. Do this by comparing the Net Incurred loss amount to the Total Gross Incurred loss amount.

Net Incurred < Previously Reported Gross Incurred

Corrections Required

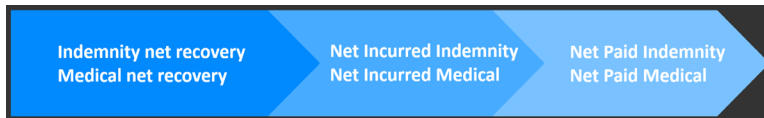
Net Incurred > or = Previously Reported Gross Incurred

No Prior Correction

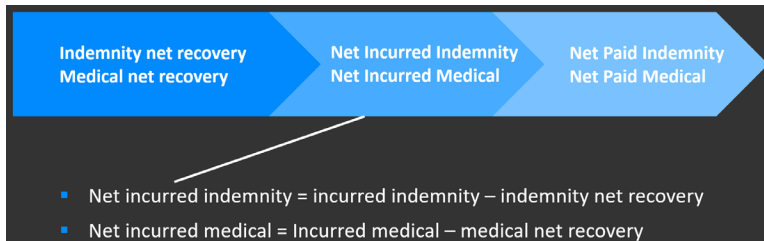
Allocation of Net Recovery Amount

Known = Use the known allocation

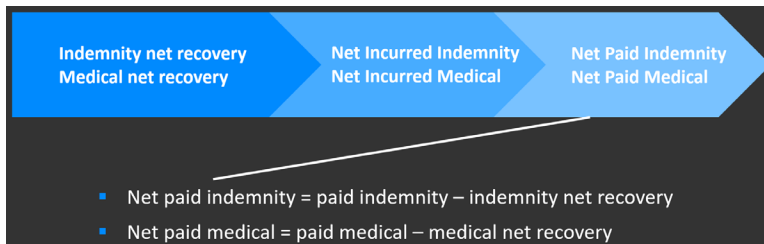
Unknown = Base allocation on original incurred indemnity and medical amounts at most recent valuation



Calculate Net Incurred Amounts



Calculate Net Paid Amounts



Apply Net Incurred and Net Paid Amounts

To latest valuation

- Apply Net Incurred Indemnity and Net Incurred Medical
- Apply Net Paid Indemnity and Net Paid Medical



Claim and Loss Reporting Topics and Statistical Plan Rules

To report prior to latest valuation

- Apply Net Incurred Indemnity Loss when lower
- Apply Net Incurred Medical Loss when lower
- Do not increase any incurred loss amounts
- Total of incurred indemnity and medical losses equals (=) Net Incurred Loss

To previous reports prior to latest valuation

- Apply Net Incurred Indemnity Loss when lower
- Apply Net Incurred Medical Loss when lower
- Do not increase any incurred loss amounts
- Total of incurred indemnity and medical losses equals (=) Net Incurred Loss

Type of Recovery Code

Type of Recovery—Loss Conditions	
Code	Description
03	Subrogation Only (Third Party)
04	Subrogation With Second Injury Fund (Third Party)

Report one of these codes when you

- correct prior report levels to the net incurred or paid, or
- submit report levels valued after receiving the recovery

If you don't correct a prior report level for subrogation, don't report one of these codes on that report level.

You must report one of these codes on report levels valued after receiving the recovery.

Recap—Correction Reports

- After the 1st report valuation date, but within one year after the 5th report due date
- 10% Rule
- Net Incurred Loss < Previously report Gross Incurred Loss
- Report
 - Only to qualifying prior reports
 - Type of Recovery Code
 - Net incurred and net paid amounts based on allocation of net recovery amount
- Do not revise other claim values (i.e., injury type, injury description codes, type of claim, type of loss, claim status)



Claim and Loss Reporting Topics and Statistical Plan Rules

Recap—Subsequent Reports

- Claim is open or reopens and continues to remain open at the next valuation level
- Report
 - Net recovery and all adjustments to the claim based on normal loss development
 - Type of Recovery Code
 - Allocation of net recovery amount

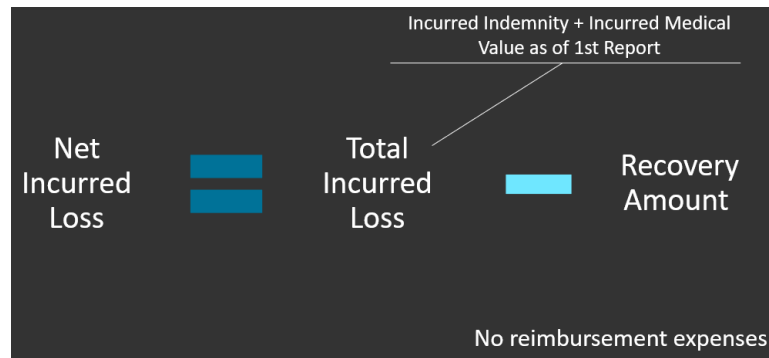
Chapter 5: Special Fund Reimbursement

In some states, there are special funds such as a second injury fund or a handicapped Workers’ Reserve Fund.

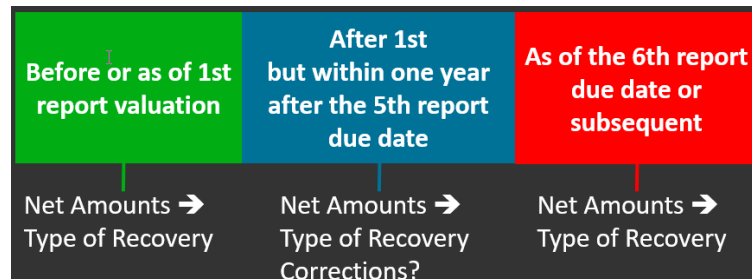
With these funds, a claim is eligible for reimbursement to the insurer. When the insurer receives or anticipates a fund reimbursement, reduce the total incurred and paid cost of the claim by the amount of any anticipated or paid reimbursement from the fund.



Calculated Net Incurred Loss



Determine When the Reimbursement Was Anticipated





Claim and Loss Reporting Topics and Statistical Plan Rules

Type of Recovery Code

Report the code for all report levels where you report the Net Incurred Loss.

Type of Recovery—Loss Conditions	
Code	Description
02	Second Injury Fund Only
04	Subrogation and Second Injury Fund Reimbursement

Chapter 6: Subrogation Recovery and Special Fund Reimbursement Related Edits

Validation Edit L331

- Claim is reported with type of recovery code and net incurred loss is lower than gross incurred Losses in prior report levels
- Data Grade 2 (current)
- Correction reports or detailed explanations are required

Q2 2024, Data Grade 5 (Experience Rating Impact)

Type of Recovery—Loss Conditions	
Code	Description
02	Second Injury Fund Only
03	Subrogation Only (Third Party)
04	Subrogation and Second Injury Fund Reimbursement

Edit 0115-04 and Edit 0115-05

Concurrent with the implementation of new validation Edit L331, Edits 0115-04 and 0115-05 will change to Data Grade 2—Suspect

Incorrect Application of Subrogation Recovery or Special Fund Reimbursement Rules

Receipt of payment to reduce incurred loss amounts – Not subrogation recovery or special fund reimbursement



Chapter 7: Noncompensable Claims

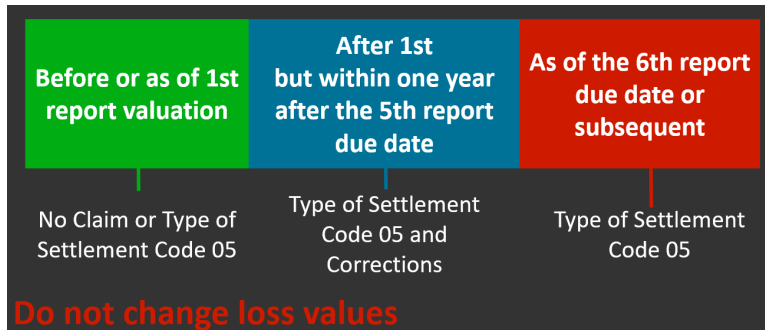
A claim that meets one or more of the following:

- Official ruling denies benefits
- Claimant fails to file for benefits
- Claimant fails to prosecute a claim following carrier’s denial of claim

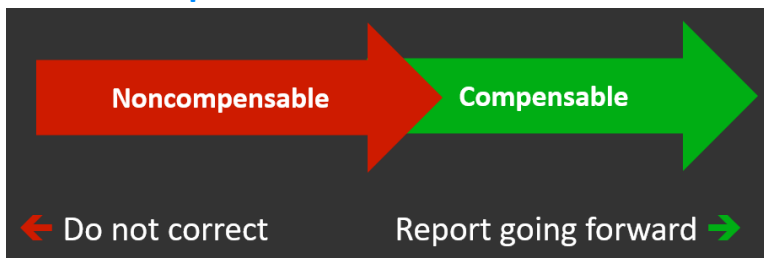
Type of Settlement Code

Code	Type of Settlement	Description
05	Dismissal or Take Nothing (Noncompensable)	The claim meets one or more of the following: <ul style="list-style-type: none"> • Official ruling denying benefits • Claimant’s failure to file for benefits • Claimant’s failure to prosecute claim following carrier’s denial of the claim

Determine When Claim Was Noncompensable



Loss Development





Claim and Loss Reporting Topics and Statistical Plan Rules

Partially Not Compensable

Report:

- Compensable portion of claim
- Type of Settlement Code other than 05

Represents Final Paid Amounts

Chapter 8: Fraudulent Claims

A claim that has been ruled or officially declared fraudulent by a court decision.

Fully Fraudulent Claim Code

Code	Type of Fraudulent Claim Code	Description
02	Fully Fraudulent	The entire claim is determined to be fully fraudulent in accordance with NCCI's Statistical Plan rules.

Determine When Claim Was Fully Fraudulent

Before or as of 1st report valuation	After 1st but within one year after the 5th report due date	As of the 6th report due date or subsequent
No Claim or Fraudulent Claim Code 02	Fraudulent Claim Code 02 and Corrections	Fraudulent Claim Code 02

Do not change loss values



Partially Fraudulent

Report:

- Nonfraudulent portion of claim
- Fraudulent Claim Code 00



Claim and Loss Reporting Topics and Statistical Plan Rules

Recap

- Reporting of loss amounts, injury types, and injury description codes are all relative
- Calculating Net Incurred is fundamental for subrogated and special fund reimbursed claims
- Code values for Type of Recovery, Type of Settlement, and Fully Fraudulent Claim
- Report code values on applicable report levels
- Do not change loss values for noncompensable and fully fraudulent claims

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