



# The Data Connection

January 2018 | 20th Edition

Welcome to *The Data Connection*, an NCCI communication series that keeps you informed on important data reporting news, data quality updates, data reporting enhancements, recent communications, and more. *The Data Connection* is released twice a year and features key information to help you perform your data reporting activities.

Look for more information on these topics on [ncci.com](http://ncci.com).



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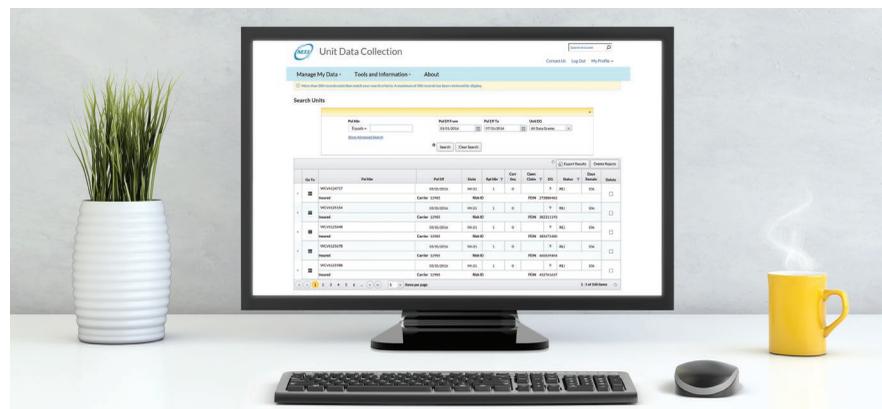
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This release of *The Data Connection* represents our 20th edition! Since its inception in 2008, this biyearly publication has provided more than 300 articles on a wide range of data reporting topics. In this edition of *The Data Connection*, our focus article is a two-page spread titled “NCCI Data Types Keep the Workers Compensation Gears Turning.” Here, you’ll see how each data type fits together and provides the source data to keep the workers compensation system running smoothly.

## The New Unit Data Collection Tool

Targeted for late First Quarter 2018, NCCI will be replacing the current *Unit Data Collection* tool with one that offers new search, view, and update capabilities for unit statistical reporting. Announced in Circulars UNITS-2017-02 and UNITS-2017-03, the new tool will include enhanced screens, expanded functionality, additional online edits, and a historical view to assist with research.

In preparing for this rollout, NCCI provided a hands-on class during its 2018 *Data Educational Program*. Look for the release of a webinar series in late First Quarter 2018.





## Statistical Plan Item Filing U-1400

Recently, NCCI published an update to the *Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)* providing a variety of enhancements that make the manual easier to use. These revisions were filed in Item U-1400, which has been approved in all NCCI states.

The primary revision was a newly redesigned Part 6—Coding Values section. Within Part 6, all data elements and coding values are now displayed in separate tables to improve the ease of use when searching for, and using, *Statistical Plan* coding values.

The newly redesigned Part 6—Coding Values organizes data elements as follows:

- Header/Policy Information—Data elements that apply to header/policy information
- Exposure Information—Data elements that apply to exposure reporting
- Loss Information—Data elements that apply to loss reporting
- Statistical Codes—List of all statistical codes categorized based on the policy premium calculation:
  - Premium Amount Subject to Experience Modification Factor
  - Premium Amount Not Subject to Experience Modification Factor
  - Premium Amount Not Part of Standard Premium

Also, new rule cross-references have been added to associated *Statistical Plan* reporting rules, providing for easier searches and more detailed information. Below is an example, which illustrates how Type of Recovery Code (03) within Part 6 is cross-referenced to the associated rule within Part 4.

### Part 6—Type of Recovery Code

#### 11. Type of Recovery Code

Type of Recovery Code identifies whether or not a subrogation recovery and/or Second Injury Fund reimbursement applies to a claim.

Code	Type of Recovery	Description	Additional Rules and/or Exceptions (If Applicable)
01	No Recovery	No subrogation recovery and/or Second Injury Fund reimbursement	
02	Second Injury Fund Only	Actual or anticipated reimbursement from Second Injury Fund.	Refer to Part 4, Item A-1-b—Assessments and Special Funds.
03	Subrogation Only (Third Party)	Subrogation recovery from an entity other than the employer, with legal liability due to circumstances for the injury.	Refer to Part 4, Item A-1-a—Subrogation.  Refer to the Oregon exception in Part 4, Item A-1-a(2)—Subrogation Reporting.
04	Subrogation With Second Injury Fund (Third Party)	Subrogation recovery and Second Injury Fund actual or anticipated reimbursement.	Refer to Part 4, Items A-1-a—Subrogation and A-1-b—Assessments and Special Funds.

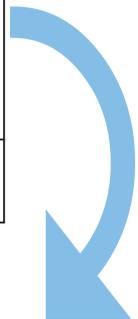
### Part 4—Loss and Expense Information

#### A. General Incurred Loss Information

##### 1. Incurred Losses

##### a. Subrogation

When there has been recovery of loss due to subrogation, the amount of loss reported must be the net incurred loss. The net incurred loss is the gross incurred loss minus the amount recovered less recovery expenses. When the recovery expenses exceed the amount recovered, report the gross incurred loss instead of the net incurred loss. When the allocation of recovery to indemnity and medical is unknown, the net incurred loss must be divided between indemnity and medical losses in the same proportion as the original gross incurred indemnity and medical amounts. The type of recovery must also be reported.



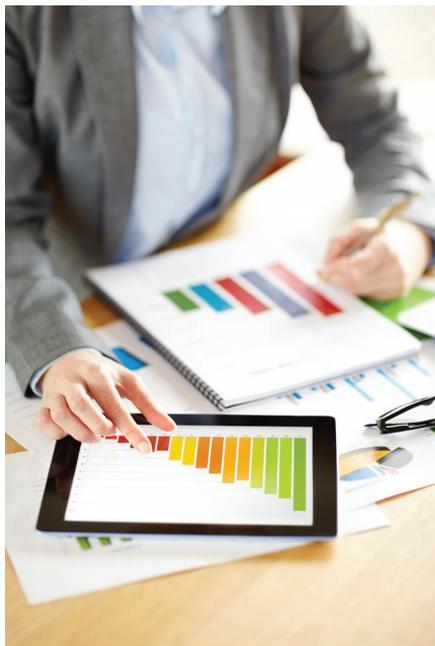
## New and Improved—Electronic Transmission User’s Guide Is Here!

The *Electronic Transmission User’s Guide* has received a complete makeover!

From preparing your system, to submitting and receiving data, this guidebook is intended to be your go-to technical and business resource for everything concerning the transmission of electronic data files.

The *Electronic Transmission User’s Guide* is organized as follows:

Part	Brief Description
Part 1—Overview	General overview of what the guidebook contains, applicability, and file workflow.
Part 2—General Setup	Details regarding initial setup for production files, including data transmission options, encryption, and NCCI setup forms.
Part 3—Pre-Editing Data	Applicable pre-editing services and tools by data type, including their naming conventions.
Part 4—Submitting Data Files	Details regarding file naming convention, submission edits (including the reasons they occur), and sample emails returned for <i>Data Transfer via the Internet</i> submissions.  This section also provides, by data type, a breakdown of the workflow process, resources, pre-production and production processes, and certification instructions (if applicable).
Part 5—Receiving NCCI Outbound Files	NCCI-Generated Reports including file names, formats, and schedules.
Part 6—Production Extract Files	Instructions for how to generate or request data extracts from NCCI or data reporting tools.
Part 7—WCIO Correction Files	Purpose and naming convention for the files.



### New and Revised Policy Data Edits

NCCI continually reviews the quality of Policy data and identifies the need for new edits or revisions to existing edits. New and revised edits are communicated through the Policy Edit Matrix—Future Edit Enhancements and the Policy Edit Matrix—Production in the *Policy and Proof of Coverage Reporting Guidebook*.

These edit changes included 14 new edits (7 new defaults and 7 new rejects) and 19 revisions to existing edits. Some of the changes were implemented in Fourth Quarter 2017, and the rest will be implemented in First Quarter 2018.

The edit results of your policy submissions are provided to you through the daily policy reports that NCCI delivers upon the processing of your data.

[Learn more by reading NCCI Circular POLS-2017-01.](#)



## Preparing for the 2018 Financial Call Reporting Season

The 2018 Financial Call season is approaching, and the overview of reporting requirement changes was announced in Circular CALLS-2017-02, Calls—2018 Financial Call Season. In November 2017, the *Financial Call Reporting Guidebook* was updated to include these primary reporting changes:

- Final expansion of reporting years for Policy Years (31 Years) and Calendar-Accident Years (30 Years) Calls
- For the Schedule Rating and Other Prospective Premium Adjustment Call (Call 10), Texas has been added as a required reporting state
- For the Large Loss and Catastrophe Calls (Calls 31 and 33), large deductible policies with large loss claims are now included for all Call states

Also, revisions to the Financial Call Edit Matrix were made: 10 new edits, 50 revised edits, and 136 removed edits.

Additionally, the *Financial Data Collection* tool was updated to incorporate changes needed for the 2018 reporting season.

Finally, the *Data Quality Guidebook* was updated to include changes to the *Aggregate Data Quality Incentive Program (ADQIP)*. This was for the new Financial Call data/Unit Statistical data (Fin/Stat) \$2,000 assessment per state when issues remain unresolved beyond the February 15 due date.

## “In the Know”—Data Communications

In addition to the communications discussed in this publication, NCCI released the following key communications on [ncci.com](http://ncci.com) during the second half of 2017:

**Florida**—Handling Risks Impacted by Hurricane Irma (Circular FYI-POLS-FL-2017-01)—Provided details of Florida Governor Rick Scott’s Executive Order 17-235 concerning policy processing

**Hawaii**—Proof of Coverage Update (Circular FYI-POC-HI-2017-01)—Provided details on data elements required by the Hawaii Department of Labor and Industrial Relations for the Proof of Coverage (POC) process

**Idaho**—Deductible Policy Reporting Requirements for POC (Circular POC-ID-2017-01)—Provided the reporting requirements for policies with a deductible program provision in Idaho

**Texas**—Catastrophe Number 11 for Hurricane Harvey in Texas (Circular DR-2017-01)—Provided reporting instructions for Catastrophe Number 11, which was established for data providers to identify claims resulting from Hurricane Harvey

**Utah**—Proof of Coverage Compliance Update (Circular FYI-POC-UT-2017-01)—Announced that the Utah Labor Commission no longer required, or will be editing, the Employer Unemployment Identification (UI) Number

## Data Reporting Learning Opportunities Update

### Train at Your Own Pace—Upcoming Webinars

NCCI offers a series of data reporting webinars that provide a flexible learning plan, are easy to use, and allow you to learn at your own pace.

Our planned training schedule includes the following Webinars on Demand.\*

2018 Release	Webinar
1st Quarter	Unit Data Collection—Search and View
1st Quarter	Unit Data Collection—Adding, Updating, and Correcting Unit Reports
1st Quarter	Unit Data Collection—Researching Unit Reports
2nd Quarter	File Tracking Feature Enhancement
3rd Quarter	Financial Call Reporting—Claim Count
4th Quarter	2019 Financial Call Season

Go to Learning Center—**Data Reporting** on [ncci.com](http://ncci.com) to view these webinars and more.

\*Schedule is subject to change.

## New Template Available for Reporting ER Split Data

ER Split Data reporting is required for professional employer organization (PEO) clients or ownership changes. In the fourth quarter of 2017, NCCI provided a template that you can use to enter and format your ER Split Data. The template provides the required data elements and record layouts as defined in the **Experience Rating (ER) Split Data Reporting Guide**. After you've entered the data, you can create a file and report the data to NCCI using **Data Transfer via the Internet**. The template allows entry of up to five separate ER Split Data reports, each having up to 100 rows.

The template is located in the Data Reporting section of [ncci.com](http://ncci.com). Refer to the **ER Split Data Reporting Guide** for more information about ER Split Data and its reporting requirements.

# NCCI Data Types Keep the Workers Compensation Gears Turning

NCCI data reporting provides the power to keep the wheels of the workers compensation system turning and contributes to maintaining the system's health. Examples include providing the source data for experience ratings, state loss cost/rate filings, research studies, and legislative pricing. Each data type has specific roles in contributing to these industry objectives.

This article provides an overview of each data type and how it benefits the workers compensation system.



24/7 industry education is available through Webinars on Demand (more than 80 modules) at the Learning Center on [ncci.com](http://ncci.com).

## FAST FACTS

### Policy Data

**Use of Data**—Track future reporting of Unit Statistical data, and fulfill *Proof of Coverage* service.

- 3M policies collected.
- The WCIO WCPOLS format is the industry standard for Policy reporting. NCCI supports 15 different record types, such as Header, Name, and Address.

### Unit Statistical Data

**Use of Data**—Develop experience rating modifications, determine classification relativities for state loss cost/ratemaking, and fulfill actuarial analyses.

- 4.6M Unit reports
- Unit Statistical is NCCI's oldest data type, with the original *Statistical Plan* being established in 1923

### Financial Call Data

**Use of Data**—Develop state loss costs/ratemaking, support market analysis, and use for research activity.

- 28.3B in premium
- NCCI receives Financial Call data from approximately 600 data reporters

### ER Split Data

**Use of Data**—Develop experience rating modifications for PEO clients or ownership changes.

- 2017 marks the inaugural year for the new electronic reporting option

### DCI Data

**Use of Data**—Price proposed state legislation, and use for research studies.

- 210K claims
- The *DCI Data Collection* tool includes a DCI Quality Observation feature that enables carriers to view data quality output regarding reported data

### Medical Data

**Use of Data**—Price proposed state legislation, and use for additional analysis.

- 80M data transactions
- The Medical Data Call enabled NCCI to respond to more than 76 requests for state legislative pricing in 2017

### Financial Call Data

Aggregate workers compensation premium, losses, expenses, and claim counts.

Training

### ER Split Data

Exposure and claim data for PEO master policies with multiple clients or for a policy with ownership changes.

Legislative Pricing

Loss Cost/Rate Filings

Experience Rating

Data Manuals

Data Quality Programs

Research Studies

All NCCI Data Quality programs are provided to the industry in the *Data Quality Guidebook*, available on [ncci.com](http://ncci.com) in the *Manuals Library*.

## NCCI Collaborates With the Industry on Terrorism Data Reporting

NCCI provides industry leadership in terrorism data collection activities for the Federal Insurance Office (FIO) and the National Association of Insurance Commissioners (NAIC).

In 2017, NCCI coordinated with the independent state rating bureaus for all states, except California, to fulfill the obligations of participating carriers on a two-phased FIO terrorism data call and an NAIC terrorism data call.

Learn more by reading [NCCI Circulars FYI-DR-2017-01 and FYI-DR-2017-03](#).

NCCI plans to continue to fulfill these requests on behalf of participating carriers in 2018. Further communications will follow.

### DATA TIP

#### Financial Call Edits

When reviewing your Financial Call edits, ask yourself the following questions:

1. Did you verify the source data?
2. What details can you provide in the explanation?
3. If corrections are necessary, what is the impact to your Call data?

In the following example, the edit was flagged for a high ratio when comparing Indemnity Accumulated Paid Losses plus Indemnity Case Outstanding to the NCCI DSR Premium.

Edit Detail for 45856 – NCCI TRAINING COMPANY		
<b>Edit #:</b> 1834 <b>Valuation:</b> 12/31/2016 <b>Type:</b> Original	<b>Observation:</b> 2014 <b>Call Type:</b> 3 Policy Year <b>Create Date:</b> 09/21/2017	<b>Edit Status:</b> New Edit <b>State:</b> Kansas <a href="#">Associated Call View</a>
<b>Description:</b> Ratio of Indemnity Accumulated Paid Losses + Indemnity Case Outstanding to NCCI DSR Premium is higher than expected. Indemnity Accumulated Paid Losses: 1,425,000; Indemnity Case Outstanding: 2,700,000; NCCI DSR Premium: 5,450,000; Ratio: 0.757. Since your data may have an impact on the rate filing in this state, please examine the Indemnity amounts and NCCI DSR Premium to ensure that the data is accurate. If the data is incorrect, submit a revised report. If the data is correct, provide a detailed explanation.		
<b>Carrier Explanation Accepted:</b> <input type="radio"/>		
<b>Explanation:</b> <input type="text"/>		
<a href="#">Save</a> <a href="#">Copy Kansas</a> <a href="#">Copy All States</a>		

**Data Reported Accurately**—Explanation should include confirmation that the Indemnity Accumulated Paid Losses, Indemnity Case Outstanding, and NCCI DSR Premium source data is correct. Also include any additional information that may be driving the higher ratio.

**Data Requiring Correction**—Correct the Call data, and determine whether the issue causing the need for correction impacts other Calls, observations, or valuations. For example, if you are making a correction to Call 3, will you also need to change Call 5 or 31? Remember, after your corrections are complete, you must revalidate all Call data for that state and address any additional edits that may have generated.

 **DATA TIP**

**Unit Statistical—Updating Matching Fields**

For unit statistical reporting, certain data elements are used to prevent duplicate Exposure and Loss Records and to link records across units. When the data reported in these fields matches, for either exposure or loss, an edit will flag.

In the following exposure example, Classification Code 8810 was reported twice, and the data reported was the same in the matching fields for Classification Code, Exposure Act/Exposure Coverage Code, Experience Modification Effective Date, and Rate Effective Date.

Classification Code	Exposure Act/Exposure Coverage Code	Experience Modification Effective Date	Rate Effective Date	Exposure Amount	Manual Rate	Premium Amount
8810	01	01/01/2015	01/01/2015	125,000	.10	125
8810	01	01/01/2015	01/01/2015	235,000	.10	235

What should happen next?

Review the duplicate information and consider some possible reasons for the duplication:

- Is it truly a misreported duplicate? If so, delete the duplicate row.
- If it's not a duplicate and represents different coverage, what needs to be corrected to clear the edit?
  - Is a Classification Code reported incorrectly?
  - Is the Exposure Act/Exposure Coverage Code incorrectly reported for one of the classification codes?
  - Should the Experience Modification Effective Date or Rate Effective Date be different?

*Continued on next page*

Based on this example, it was determined that two exposure rows for Classification Code 8810 should have been reported. The Exposure Act/Exposure Coverage Code for the row with exposure amount of \$235,000 should have been reported as 02 for USL&HW F-classes or USL&HW coverage on non-F-classes.

Classification Code	Exposure Act/Exposure Coverage Code	Experience Modification Effective Date	Rate Effective Date	Exposure Amount	Manual Rate	Premium Amount
8810	01	01/01/2015	01/01/2015	125,000	.10	125
8810	02	01/01/2015	01/01/2015	235,000	.10	235

For additional information, including state exceptions to the matching fields, refer to the *Unit Statistical Reporting Guidebook*, Part 4-A (Exposure Matching Fields) and Part 5-A (Loss Matching Fields). The guidebook also provides a reporting example on this topic, which is available in Part 5-A-3 (Correction to Claim Number and Accident Date).

**Unit Statistical Reporting Guidebook**  
**Part 4—Exposure Information and Examples**

[View Previous Updates](#)

*Issued 15 Jul 2016 12:00:01*

**A. Exposure Matching Fields**

The Exposure Record contains exposure and premium data elements for each classification or statistical code. This information is only submitted on the 1st report and is not permitted on subsequent unit report levels.

The exposure matching fields are used to:

- Prevent duplicate Exposure Records
- Link exposure corrections to the 1st report

The following data elements are the matching fields:

<p><b>Exposure Record Matching Fields—All States except for the conditions below.</b></p>	<ul style="list-style-type: none"> <li>Classification Code</li> <li>Exposure Act/Exposure Coverage Code</li> <li>Experience Modification Effective Date</li> <li>Rate Effective Date</li> </ul>
<p><b>Exposure Record Matching Fields for the following conditions:</b></p> <p>MA—Applies only to Classification Code 9529</p> <p>MI and NC—Applies to all classification and statistical codes</p> <p>NY—Applies only to Classification Codes 5708 and 5709</p> <p>TX—Applies to all classification and statistical codes only when Employee Leasing Code is "E" on the Header Record</p>	<ul style="list-style-type: none"> <li>Classification Code</li> <li>Exposure Act/Exposure Coverage Code</li> <li>Experience Modification Effective Date</li> <li>Rate Effective Date</li> <li>Manual Rate</li> <li>Premium Amount</li> </ul>

## DATA TIP

### New IAIABC POC 3.0 Data Elements

Two new elements have been added to the International Association of Industrial Accident Boards and Commissions (IAIABC) 3.0 POC format. The new elements are:

- Email Address—Defined as the email address of the insured or employer name that is linked to an address record, if available
- Deductible Amount Per Claim/Accident—Defined as the loss amount by claim or by accident, or for each occurrence to be paid by the insured as defined by the deductible program and reported on the Deductible Endorsement Record

To see which POC states require these data elements, refer to the POC Data Element Requirements Chart in the *Policy and Proof of Coverage Reporting Guidebook*, Part 10-C-2.

## DATA TIP

### Medical Data—Reporting Telemedicine Services on the Medical Data Call

Telemedicine (or Telehealth) is growing rapidly throughout the workers compensation industry. Several states are seeing an expansion of circumstances in which injured workers are being treated by a provider via audio and video communications. Increasingly, states are implementing telemedicine services into their workers compensation fee schedules.

In 2017, the Centers for Medicare & Medicaid Services (CMS) established a Place of Service Code, value of 02, for “Telehealth.” NCCI has updated the Place of Service Code chart in the *Medical Data Call Reporting Guidebook*, Part 5-A, to reflect this code value.

NCCI expects medical data providers to report data for services involving Telemedicine (Place of Service Code 02) along with all other Medical Data Call records being submitted.





**National Council on Compensation Insurance**

901 Peninsula Corporate Circle

Boca Raton, FL 33487-1362

800-NCCI-123 (800-622-4123)

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