



Data Now Program (DNP)  
**Designated Statistical Reporting (DSR)  
Level Premium—Part 1—Reporting Rules**

## Overview

### Key Takeaways

- Identify necessary information for calculations
- Derive DSR Premium using these details

### Agenda

- Purpose of DSR Level Premium
- DSR Premium General Information
- DSR Levels
- Deviation History
- Deriving Financial Call Premium
  - Calculating the Average Deviation
  - Extending Exposures
- Questions

## Purpose of DSR Level Premium

### What Is DSR Level Premium?

- DSR Level Premium core purpose:
  - The standard earned premium that would result if your business was written at NCCI's approved loss costs or rates instead of your company's rates
  - Common benchmark level at which carriers report premium on the Financial Calls
  - Used to determine adequacy of current filed and approved loss costs or rate levels

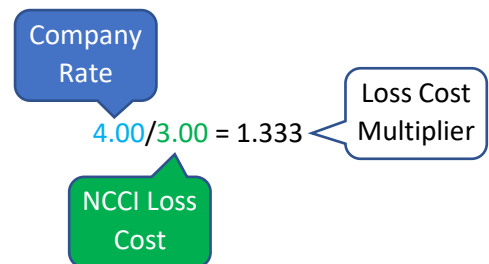
### Example of DSR vs. Standard Premium in a Loss Cost State

To calculate DSR Level Premium, exposure is multiplied by the approved NCCI loss cost.

Class Code	Payroll	NCCI Loss Cost	NCCI DSR Level Premium
1234	4,000,000	3.00	$(4,000,000 / 100) \times 3.00 = 120,000$

To calculate Company Standard Premium, exposure is multiplied by the company rate.

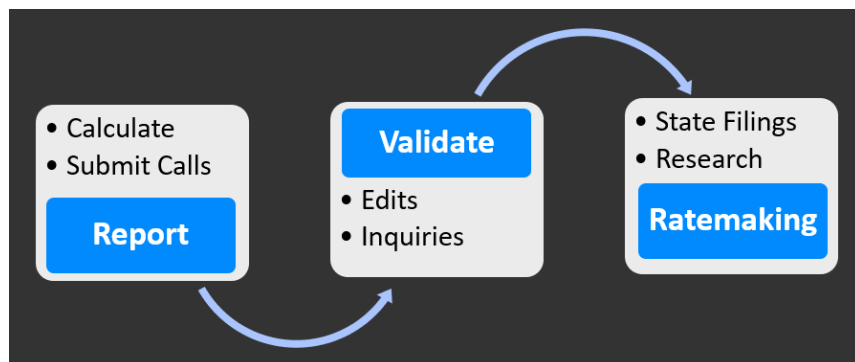
Class Code	Payroll	Company Rate	Company Standard Premium
1234	4,000,000	4.00	$(4,000,000 / 100) \times 4.00 = 160,000$





# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## DSR Premium Process



## DSR Premium General Information

### Resources on [ncci.com](https://ncci.com)

- **Financial Call Reporting Guidebook**
  - #1 go-to resource for all things Financial data, including DSR
- **Basic Manual**
  - Premium elements that are filed by NCCI
  - State-specific premium algorithms
- **Financial Data Compliance Form**
  - Checklist for common data component reporting
- **NCCI Circulars**
  - Announces important information about reporting requirements or system changes
- **Assigned Financial Data Validator**
  - Answer your questions and assist with everything Financial Call related

## Premium Components Summary Chart

### Financial Call Reporting Guidebook

#### Part 5—Financial Call Components

Premium Components Summary Chart						
Part 5		Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
			Company Standard	DSR	Company Standard	DSR
1	Assigned Risk Adjustment Program (ARAP)	X	X	X		
2	Balance to Minimum Premium Adjustment	X	X	X	X	
3	Catastrophe and Terrorism Provisions (e.g., DTEC, TRIA, TRIEA, TRIPRA)		Do Not Report			
4	Company Loss Constant	X	X		X	
5	Consent to Rate	X	X		X	
6	Contracting Classification Premium Adjustment Program (CCPAP)	X	X	X	X	X
7	Deductible Coverage—Premium Credits	X				

**Note:** An “X” denotes that the component is included in the column. Shaded cells reflect that the component is either not applicable in that rating environment or not applicable to that premium level.



# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## Sample Premium Algorithm

PREMIUM ELEMENTS	EXPLANATORY NOTES
<b>MANUAL PREMIUM</b>	[(PAYROLL / 100) * RATE]
+ Supplementary Disease (foundry, abrasive, sandblasting)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]
+ USL&H Exposure for non-F classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]
<b>TOTAL MANUAL PREMIUM</b>	
+ Waiver of Subrogation factor <sup>[1]</sup>	% applied to the portion of Total Manual Premium where waiver is applicable, subject to minimum charge
+ Employers Liability (E/L) increased limits factor	% applied to Total Manual Premium
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+ Employers Liability increased limits factor (Admiralty, FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applied]
+ Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]
- Small Deductible credit	% applied to Total Manual Premium
<b>SUBJECT PREMIUM</b>	
x Drug-Free Workplace Premium Credit factor (1 - DFW Credit %)	
<b>TOTAL SUBJECT PREMIUM</b>	
x Experience Modification (Exp Mod)	
<b>TOTAL MODIFIED PREMIUM</b>	
x Merit Rating factor (1 - MR credit %) or (1 + MR debit %)	[Non-rated risks]
x Schedule Rating factor (1 - SR credit %) or (1 + SR debit %)	
+ Supplemental Disease Exposure (Asbestos, <sup>[NCCI]</sup> )	
+ Atomic Energy Radiation Exposure <sup>[NCCI]</sup>	

Excerpt from the *Basic Manual*

## Financial Data Compliance Form

### Financial Data Compliance Form

#### Part 1—Self-Audit—Checklist

##### Section B: Financial Call Components

1. Premiums (unless otherwise noted, for additional details, see Part 5 of the *Financial Call Reporting Guidebook*)

#	Item	Options	Comments
33	Consent to Rate deviations are included in Company Standard and Net premium but excluded from DSR Level premium	Confirmed Review	
40	DSR Level premium reflects the approved rates or loss costs designated for each policy year ( <i>Reporting Guidebook</i> , Part 7, E)	Confirmed Review	

#### Part 2—Self-Audit—Additional Details

Please provide a brief description in response to the following three items.

#	Item	Comments
1	The method used to determine premium at the Designated Statistical Reporting Level as reported in Column 1 of Call #3. (For details, refer to Part 7 of the <i>Financial Call Reporting Guidebook</i> )	We use the method of calculating the average deviation as described in Part 7 of the Guidebook.

**Note:** The Financial Data Compliance Form is not a complete list of all reporting requirements.

- Directly relates to premium and other components completed in the **Financial Data Collection (FDC)** tool
- Cross check as you prepare financial calls
- Answering these questions ensures you are reporting your data accurately
- Assists NCCI in the validation process
- Does not contain a complete list of all reporting requirements



Data Now Program (DNP)  
**Designated Statistical Reporting (DSR)**  
**Level Premium—Part 1—Reporting Rules**

### Knowledge Check

1. What is the main purpose of DSR Level Premium?

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2. What resource contains the state Premium Algorithms?

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3. The Financial Data Compliance Form contains questions about the handling of many Financial data components.

**True or False?**

4. According to the Premium Components Summary Chart, Consent to Rate Premium should be included in DSR for both Loss Cost and Rate states?

**Yes or No?**

Premium Components Summary Chart						
Component		Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
			Company Standard	DSR	Company Standard	DSR
1	Assigned Risk Adjustment Program (ARAP)	X	X	X		
2	Balance to Minimum Premium Adjustment	X	X	X	X	
3	Catastrophe and Terrorism Provisions (e.g., DTEC, TRIA, TRIEA, TRIPRA)		Do Not Report			
4	Company Loss Constant	X	X		X	
5	Consent to Rate	X	X		X	
6	Contracting Classification Premium Adjustment Program (CCPAP)	X	X	X	X	X
7	Deductible Coverage—Premium Credits	X				



## Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

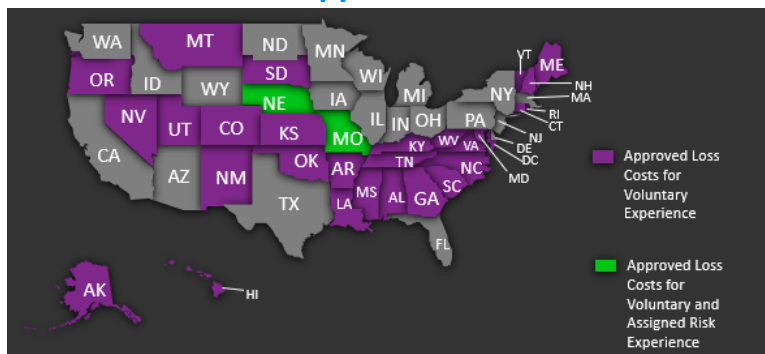
### DSR Levels

#### Questions to Consider

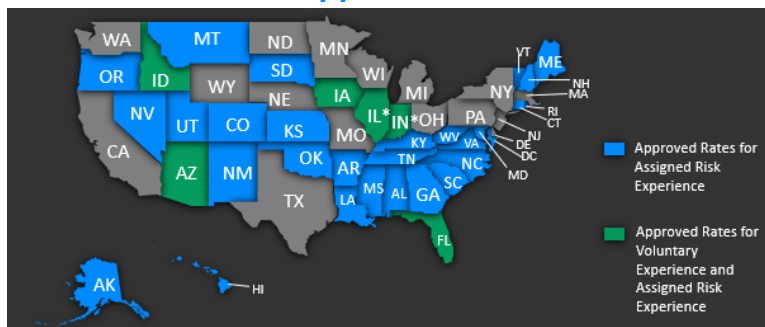
Responses to these questions will affect how you drive the DSR Level Premium:

- What DSR Levels were in effect through the year?
  - There may be more than one set of approved NCCI loss costs or rates for a given policy year
- What loss cost multipliers (LCMs) were in effect through the year by the carrier?
  - Enter LCMs or rate deviations in **FDC**
- What NCCI filed and approved loss costs did you use through the year?
  - Did you adopt the most recently approved on the approval date, or are you using an older set of loss costs?
- New and renewal—Did laws change or judicial decision affect outstanding policies?

#### State DSR Levels—Approved Loss Costs



#### State DSR Levels—Approved Rates



#### State DSR Levels—Texas

- NCCI Filed and Approved Loss Costs
- TDI Rate Relativities
- Starting 7/1/2020—Only NCCI Loss Costs





# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## State DSR Levels

*Financial Call Reporting Guidebook*—Part 7

*Financial Data Collection Tool*

↓ Each column represents a different state

Designated Statistical Reporting Levels—Effective Dates (District of Columbia—Indiana)

Policy Year	District of Columbia	Georgia	Hawaii	Illinois	Indiana
2024	=	3/1/24 lc	1/1/24 lc	1/1/24 rates <sup>1</sup>	1/1/24 rates <sup>2</sup>
2023	11/1/23 lc	3/1/23 lc	1/1/23 lc	1/1/23 rates	1/1/23 rates
2022	11/1/22 lc	3/1/22 lc	1/1/22 lc	1/1/22 rates	1/1/22 rates
2021	11/1/21 lc	3/1/21 lc	1/1/21 lc	1/1/21 rates	1/1/21 rates
2020	11/1/20 lc	3/1/20 lc	1/1/20 lc	1/1/20 rates	1/1/20 rates

→ Each row is a new set of approved loss costs or rates  
Each level stays in effect until the next approval

## State DSR Levels—Illinois and Indiana

- NCCI publishes both the approved loss costs and rates
- DSR must be reported at rate level on Financial Calls
- If your company uses loss costs instead of rates, convert your LCMs to deviations from rates
  - For Illinois, multiply LCM by the Permissible Loss Rating (PLR)
  - For Indiana, multiply LCM by the Target Cost Ratio (TCR)
- PLR and TCR found in the respective State Filing circulars and Part 7 of the *Financial Call Reporting Guidebook*

## Illinois and Indiana Deviation Conversions Practice

IL 2023 PLR = 0.604

LCM 1.700 \* PLR 0.604 = Deviation from rates of 1.027

IN 2023 TCR = 0.725

LCM 1.200 \* TCR 0.725 = Deviation from rates of 0.870





# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## Texas DSR Levels

History

Policies Effective	DSR Level
Prior to 6/1/2011	TDI relativities
6/1/2011 through 6/30/2020	TDI relativities or NCCI filed and state approved loss costs
7/1/2020 and subsequent	NCCI loss costs

Policy Year	Texas
2023	7/1/23 lc
2022	7/1/22 lc
2021	7/1/21 lc
2020	7/1/20 lc
2019	7/1/19 lc <sup>1</sup> 7/1/19 TDI rel <sup>1</sup>

DSR Level is based on carrier filing, no conversions.

## NCCI Filings

Approved loss costs and rates can be found in applicable state approval circulars.

Example: Filing applicable to new and renewal policies.



### Circular

National Council on Compensation Insurance		State Relations - Regulatory Services
OCTOBER 15, 2018	LOSS COSTS OR RATE FILING APPROVAL	IL-2018-08
Illinois--Voluntary Market--Approval of Voluntary Advisory Rates, Loss Costs, and Rating Values Effective January 1, 2019		
<b>ACTION NEEDED</b>	Please review this circular, which contains information on accepted voluntary advisory rates, loss costs, and rating values for Illinois. These will become effective January 1, 2019, for <b>new and renewal policies.</b>	

Example: Filing applicable to new, renewal, and all outstanding policies.



### Circular

National Council on Compensation Insurance		State Relations - Regulatory Services
OCTOBER 3, 2013	LOSS COSTS OR RATE FILING APPROVAL	OK-2013-03
Oklahoma--Approved Advisory Loss Costs and Rating Values Effective January 1, 2014--File Number NCCI-129178561		
<b>ACTION NEEDED</b>	Please review this circular, which contains information regarding the approved advisory loss costs and rating values for Oklahoma. <b>These will become effective January 1, 2014, for new, renewal, and outstanding policies.</b>	



# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## Oklahoma

Example: Circulars will contain methods for adjusting premium on outstanding policies, if applicable.

Adjustment to Outstanding Policies In-Force on February 1, 2014<sup>1</sup>

Impact of Oklahoma Senate Bill 1062  
(Effective February 1, 2014) = -12.9%

This example provides a scaled table in order to calculate premium adjustments needed. For example, a policy effective in June 2013 will have its loss cost premium reduced by 4.3% to 5.4% depending on the day of the month in which it became effective.

For Policies Effective in	Unexpired Policy Portion as of February 1, 2014	Adjustment to Loss Cost Premium <sup>2</sup>
February, 2013	up to 1 month	0.0% - -1.1%
March, 2013	up to 2 months	-1.1% - -2.2%
April, 2013	up to 3 months	-2.2% - -3.2%
May, 2013	up to 4 months	-3.2% - -4.3%
June, 2013	up to 5 months	-4.3% - -5.4%
July, 2013	up to 6 months	-5.4% - -6.5%
August, 2013	up to 7 months	-6.5% - -7.5%
September, 2013	up to 8 months	-7.5% - -8.6%
October, 2013	up to 9 months	-8.6% - -9.7%
November, 2013	up to 10 months	-9.7% - -10.8%
December, 2013	up to 11 months	-10.8% - -11.8%
January, 2014 <sup>3</sup>	up to 12 months	0.0% - 0.0%

<sup>1</sup> Claims falling under State Act coverage are estimated to represent a relatively small proportion of the Oklahoma voluntary loss costs for Federal and some Maritime/FELA classifications. As a result, the adjustment to outstanding policies in-force does not apply to "F" Classes and the following Maritime/FELA codes: 6703, 7047, 7050, 7059, 7152, 7337, 7398, 8738, and 8815.

<sup>2</sup> Adjustment will vary based on the day of the month in which the policy became effective.

<sup>3</sup> The impact of Senate Bill 1062 on policies written in January 2014 is already reflected in the loss cost level change effective January 1, 2014 for new and renewal policies.

## Determining DSR Levels

**Designated Statistical Reporting Levels—Effective Dates (Kansas—Maryland)**

Policy Year	Kansas	Kentucky	Louisiana	Maine	Maryland
<b>2023</b>	1/1/23 lc	1/1/23 lc	5/1/23 lc	4/1/23 lc	1/1/23 lc
<b>2022</b>	1/1/22 lc	1/1/22 lc	5/1/22 lc	4/1/22 lc	1/1/22 lc
<b>2021</b>	1/1/21 lc	1/1/21 lc	5/1/21 lc	4/1/21 lc	1/1/21 lc
<b>2020</b>	1/1/20 lc	10/1/19 lc	5/1/20 lc	4/1/20 lc 1/1/20 lc	1/1/20 lc
<b>2019</b>	1/1/19 lc	10/1/19 lc	5/1/19 lc	4/1/19 lc	1/1/19 lc
<b>2018</b>	1/1/18 lc	10/1/18 lc 7/14/18 lc	5/1/18 lc	4/1/18 lc	1/1/18 lc
<b>2017</b>	1/1/17 lc	10/1/17 lc 7/1/17 lc	5/1/17 lc	4/1/17 lc	1/1/17 lc

PY 2018		
Policy Effective Dates		NCCI DSR Level Effective Dates
1/1/2018-7/13/2018		10/1/2017 Loss Costs
7/14/2018-9/30/2018		7/14/2018 Loss Costs
10/1/2018-12/31/2018		10/1/2018 Loss Costs





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Level Premium—Part 1—Reporting Rules**

### Determining DSR Levels

**Designated Statistical Reporting Levels—Effective Dates (Kansas–Maryland)**

Policy Year	Kansas	Kentucky	Louisiana	Maine	Maryland
<b>2023</b>	<a href="#">1/1/23 lc</a>	<a href="#">1/1/23 lc</a>	<a href="#">5/1/23 lc</a>	<a href="#">4/1/23 lc</a>	<a href="#">1/1/23 lc</a>
<b>2022</b>	<a href="#">1/1/22 lc</a>	<a href="#">1/1/22 lc</a>	<a href="#">5/1/22 lc</a>	<a href="#">4/1/22 lc</a>	<a href="#">1/1/22 lc</a>
<b>2021</b>	<a href="#">1/1/21 lc</a>	<a href="#">1/1/21 lc</a>	<a href="#">5/1/21 lc</a>	<a href="#">4/1/21 lc</a>	<a href="#">1/1/21 lc</a>
<b>2020</b>	<a href="#">1/1/20 lc</a>	<a href="#">10/1/19 lc</a>	<a href="#">5/1/20 lc</a>	<a href="#">4/1/20 lc</a> <a href="#">1/1/20 lc</a>	<a href="#">1/1/20 lc</a>
<b>2019</b>	<a href="#">1/1/19 lc</a>	<a href="#">10/1/19 lc</a>	<a href="#">5/1/19 lc</a>	<a href="#">4/1/19 lc</a>	<a href="#">1/1/19 lc</a>
<b>2018</b>	<a href="#">1/1/18 lc</a>	<a href="#">10/1/18 lc</a> <a href="#">7/14/18 lc</a>	<a href="#">5/1/18 lc</a>	<a href="#">4/1/18 lc</a>	<a href="#">1/1/18 lc</a>
<b>2017</b>	<a href="#">1/1/17 lc</a>	<a href="#">10/1/17 lc</a> <a href="#">7/1/17 lc</a>	<a href="#">5/1/17 lc</a>	<a href="#">4/1/17 lc</a>	<a href="#">1/1/17 lc</a>

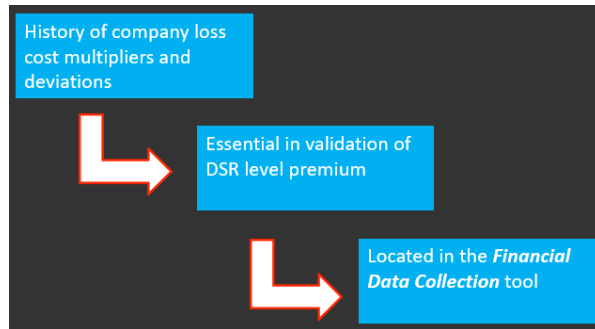
**Handout Exercise: Can you determine the DSR Levels for KY for PY 2019?**

PY 2019		
Policy Effective Dates		NCCI DSR Level Effective Dates



# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## Deviation History



## Deviations Screen in *Financial Data Collection*

- Update your company deviation history for current year and later
- Entries prior to current year—Contact your financial data validator
- Use the deviation worksheet in the ***Financial Call Reporting Guidebook***, Part 3, to ensure you capture all necessary information for entries

## Deviations in Effect During the Year

Search Results						
	State	Filed By	Carrier Effective	NCCI Effective	Rolling Multiplier (Auto-Adopt)	Carrier Deviation
	KS	16962	01/01/2023	01/01/2023	No	0.725
	KS	16962	04/01/2019	01/01/2019	Yes	1.500 %

1. **Carrier Effective:** Contained in approved filing. This is the date you can start using the company rates and deviations in that filing
2. **NCCI Effective:** The effective date of the NCCI loss costs or rates on which you are basing your company rates
3. **Rolling Multiplier:**
  - Not available in all states
  - Indicates you are choosing to adopt future approved NCCI loss cost or rate filings on the date they become effective, without changing your deviation amount, until you file a new deviation
  - Avoids redundant entries for subsequent NCCI filings



## Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

4. **Carrier Deviation:** The amount by which you are deviating from NCCI approved loss costs or rates to calculate your company rates

! When entering in the **FDC** tool, always entered as the amount minus 1.

Example:

Effective Date of Deviation = 1/1/2018, Loss Cost Multiplier = 1.725

Deviation Amount Entered in **FDC** = 0.725      ←  $1.725 - 1.00 = 0.725$

5. **Percentage Icon:** Indicates whether the Deviation Amount displayed is:
- A single deviation that applies to all class codes, or tiers of business (Filed)
  - A weighted average of two or more deviations (Calculated)
  - Informational only and will not affect the actual edit checks to validate your reported premium

### Deviation Review

Search Results						
	State	Filed By	Carrier Effective	NCCI Effective	Rolling Multiplier (Auto-Adopt)	Carrier Deviation
	KS	16962	01/01/2023	01/01/2023	No	0.725
	KS	16962	04/01/2019	01/01/2019	Yes	1.500 %

Example: areas to review for accuracy and completeness:

1. Large gaps between effective dates could indicate missing deviations
2. Changes in Rolling Multiplier and Nonrolling Multiplier should be verified
3. Significant change in deviation amounts between two successive entries—not necessarily wrong, but uncommon

### Deviation Updates

When adding a new deviation to your history in **FDC**:

- Use the LCM/rate deviation worksheet in the **Financial Call Reporting Guidebook**, Part 3, to capture all necessary information for entries
- Use the information in the applicable filing to complete
- To make your entries in **FDC** or send to your assigned validator
- Use the correct NCCI Carrier Code and Group Code for each entry



# Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium—Part 1—Reporting Rules

## Loss Cost Multiplier (LCM)/Rate Deviation Worksheet

Information in Carrier Filing				
■ Group Code: 16962				
■ Carrier Code: 16962				
■ State: Kansas				
■ NCCI Filing Effective Date: 1/1/2020				
■ Carrier Effective Date: 3/1/2020				
■ Rolling Multiplier: Y				

Premium	Distribution	Current LCM	Proposed LCM
\$539,297	17.4%	1.598	1.666
\$1,000,000	32.3%	2.209	2.303
\$1,552,975	50.2%	1.880	1.960
\$3,092,272	100.0%	1.937	2.020
Current Weighted Multiplier			1.937
Proposed Weighted Multiplier			2.020

Loss Cost Multiplier (LCM)/Rate Deviation Worksheet		
Group Code:		
State:		
Active Flag: (Default = Yes)		
Carrier Code:		
Carrier Deviation Effective Date:		
NCCI DSR Level Effective Date:		
Rolling Multiplier? (Yes or No)		
Filed/Calculated?		
Deviation Amount:	Deviation Amount	% of Business Written
Indicate the Deviation Amount and % of Business Written to which the Deviation Amount applies.		
For a Loss Cost Multiplier, Deviation Amount = (LCM - 1.0).		
For a Rate Deviation, Deviation Amount = Rate Deviation expressed as a decimal.		
The sum of % of Business Written must equal 100%.		
Comments: (Optional)		100%

<sup>1</sup> Not all states allow a choice of Rolling or Non-rolling Multipliers. If a state allows only one type, you can select only that type in **Financial Data Collection**.

<sup>2</sup> "Filed" means a single deviation applies to all class codes. "Calculated" means there are two or more deviations in the filing.

## Deriving Financial Call Premiums

### Deriving Net, Company Standard, and DSR Premiums

Premium Type	Basis	Notes	Financial Call Reporting Guidebook Reference
Net Premium	Start with premium reported on NAIC Annual Statement	Components removed include: <ul style="list-style-type: none"> <li>• Large Deductible Policies</li> <li>• Catastrophe and Terrorism</li> <li>• Florida Excess Profits</li> <li>• Policyholder Dividends</li> </ul>	Part 5 Part 6 Part 9—Call 8 Section
Company Standard Premium	Start with Net Premium	Make necessary adjustments. Components removed include: <ul style="list-style-type: none"> <li>• Premium Discounts</li> <li>• Schedule Rating</li> <li>• Deductible Coverage—Premium Credits</li> <li>• Short-Rate Penalty</li> </ul>	Part 5 Part 6 Part 9
DSR Premium	Start with Company Standard Premium	Make necessary adjustments. Components removed include: <ul style="list-style-type: none"> <li>• Expense Constants</li> <li>• Balance to Minimum Premium</li> <li>• Loss Cost Multipliers (LCM)/Deviations</li> </ul>	Part 5 Part 6 Part 9



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**Level Premium—Part 1—Reporting Rules**

**Deriving Net Premium—Example**

**Alabama Policy Year 2023 Premium**

Policy Period	1/1/2023 Through 12/31/2023	
Annual Statement* Net Premium	\$8,000,000	
Large Deductible (LD) Policies	\$2,900,000	
Catastrophe and Terrorism	\$100,000	
NCCI Net Premium	\$5,000,000	NAIC Net Premium – LD Policies – Cat and Terrorism \$8,000,000 – (\$2,900,000) – (\$100,000)

**Deriving Company Standard Premium—Example**

**Alabama Policy Year 2023 Premium**

Policy Period	1/1/2023 Through 12/31/2023	
Annual Statement* Net Premium	\$8,000,000	
Large Deductible Policies	\$2,900,000	
Catastrophe and Terrorism	\$100,000	
NCCI Net Premium	\$5,000,000	NAIC Net Premium – LD Policies – Cat and Terrorism \$8,000,000 – (\$2,900,000) – (\$100,000)
Schedule Rating	–\$500,000	
Premium Discounts	–\$30,000	
Deductible Coverage—Premium Credits	–\$800,000	
Short-Rate Penalty	\$20,000	
NCCI Company Standard Premium	\$6,310,000	NCCI Net Premium – Schedule Rating – Premiums Discounts – Deductible Credits – Short Rate Penalty \$5,000,000 – (–\$500,000) – (–\$30,000) – (–\$800,000) – (\$20,000)



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**Deriving DSR Premium**

**Alabama Policy Year 2023 Premium**

Policy Period	1/1/2023 Through 12/31/2023
NCCI Company Standard Premium	\$6,310,000
Company Selected Expense Constant	\$350,000
Balance to Minimum Premium	\$260,000
Subtotal	\$5,700,000
Filed and Approved LCM	1.50
NCCI DSR Premium	\$3,800,000

NCCI CS Premium – Expense Constant –  
Balance to Minimum Premium  
 $\$6,310,000 - \$350,000 - \$260,000$

Sub Total / LCM  
 $\$5,700,000 / 1.50$



Data Now Program (DNP)  
**Designated Statistical Reporting (DSR)**  
**Level Premium—Part 1—Reporting Rules**

### Calculating DSR Premium

General Approaches:

- Derive DSR Level Premium from Company Standard Premium (Average Deviation Method)
  - Calculate an average deviation
  - Then apply that average deviation to Company Standard Premium
- Derive DSR Level Premium Directly (Extending Exposures Method)
  - Rerate the policies included in the Calls using NCCI-approved loss costs or rates
- Hybrid Method

### Premium Components Exercises—Loss Costs

Class or Stat Code	Description	DSR	Company Standard	Net
0063	PREMIUM DISCOUNT—TYPE A—STOCK CO.			
0900	COMPANY SELECTED EXPENSE CONSTANT			
5221	CONCRETE OR CEMENT WORK—FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS & DRIVERS			
8010	STORE: HARDWARE			
8810	CLERICAL OFFICE EMPLOYEES NOC			
9664	PREMIUM CREDIT FOR THE REPORTING OF DEDUCTIBLES—SUBJECT TO EXP RATINGS			
9740	CATASTROPHE PROVISIONS FOR TERRORISM—NOT PART OF STANDARD PREMIUM			
9848	ADDITIONAL PREMIUM REQUIRED TO BALANCE TO THE MINIMUM PREMIUM			

### Premium Components Exercise—Rates

Class or Stat Code	Description	DSR	Company Standard	Net
0063	PREMIUM DISCOUNT—TYPE A—STOCK CO.			
0900	NCCI PUBLISHED EXPENSE CONSTANT			
5221	CONCRETE OR CEMENT WORK—FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS & DRIVERS			
8010	STORE: HARDWARE			
8810	CLERICAL OFFICE EMPLOYEES NOC			
9664	PREMIUM CREDIT FOR THE REPORTING OF DEDUCTIBLES—SUBJECT TO EXP RATINGS			
9740	CATASTROPHE PROVISIONS FOR TERRORISM—NOT PART OF STANDARD PREMIUM			
9848	ADDITIONAL PREMIUM REQUIRED TO BALANCE TO THE MINIMUM PREMIUM			



Data Now Program (DNP)  
**Designated Statistical Reporting (DSR)**  
**Level Premium—Part 1—Reporting Rules**

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**Premium Components Resources**

- ***Financial Call Reporting Guidebook***—Part 5, 6, and 9
- Premium Components Summary Chart
- Financial Data Compliance Form

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