



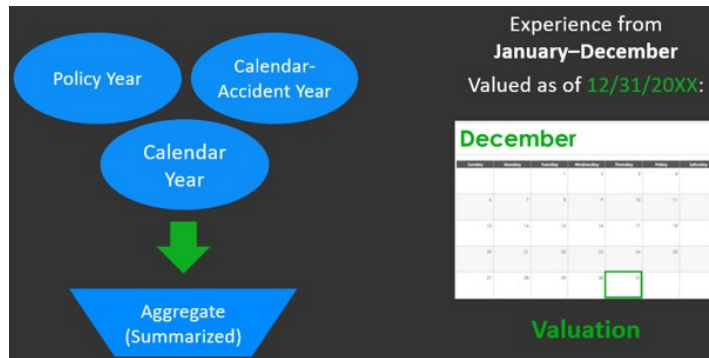
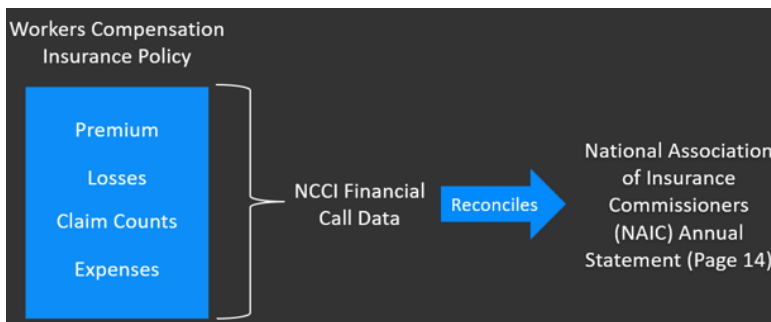
Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

Overview

Key Takeaways

- Develop an understanding of Financial Call data
- Understand basic concepts for Financial Call reporting
- Identify benefits of the Reporting Workflow
- Identify resources to assist with Financial Call reporting

What Is Financial Call Data?



What Does NCCI Collect?

Collects a total of 20 different types of Calls.

9	3	2	5	1
Primary Ratemaking Calls	State-Specific Calls	Supplemental Ratemaking Calls	Premium-Based Billing and Residual Market Calls	Compliance Form



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

Usage of Financial Call Data?

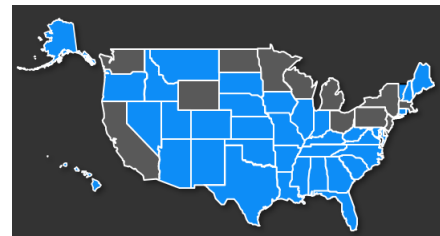
Financial Call data is used for:

- Ratemaking purposes for NCCI states
- Helps determine overall loss cost or rate changes filed for each state
- Market analysis and research
- State regulatory requests
- Pool billing and participation

Who Reports Financial Calls?

All companies that write workers compensation insurance in NCCI states:

- Carriers
- State funds
- Self-insured groups (Florida)



Which Calls do I Report?

Call No.	Required Reporting	Not Required	Reporting Exceptions
3 Policy Year Call	You are required to report Call #3 if you wrote workers compensation policies in a given state in 1992 and/or any subsequent years. Note: The reporting requirement of this Call also applies to Florida self-insured funds.	You are not required to report Call #3 in a given state if: <ul style="list-style-type: none"> • You have never written workers compensation policies in that state; or • You have not written workers compensation policies in that state since prior to 1992; or • You have only written Large Deductible, F-classification, Excess Coverage, or National Defense Base policies—with coverage under the National Defense Projects Rating Plan. 	This Call does not apply to written workers compensation policies for excluded coverages such as Large Deductible, F-classification, or National Defense Base policies—with coverage under the National Defense Projects Rating Plan, which are excluded from Call #3. For additional information on excluded coverages, refer to Call #3 General Instructions. Texas Exception: You must receive permission from the Texas Department of Insurance to discontinue the reporting of this Call and provide a copy of this release to NCCI.

When Are the Calls Due?

- Most Financial Calls are due April 1
- Subject to **Aggregate Data Quality Incentive Program (ADQIP)**—Timeliness and Quality Assessments
- **Financial Call Reporting Guidebook**—Financial Call Reporting Schedule

Form/Call	Form/Call Name	Due Date	ADQIP Timeliness Applicability	ADQIP Quality Applicability
2	Financial Data Compliance Form	4/1*	Yes	No
1	Calendar Year Call for Workers Compensation Total Direct Written Premium	3/1	Yes	No
1A	Calendar Year Call for Direct Assignment Total Direct Written Premium	3/15	No	No
1B	Calendar Year Alternate Equipment Premium Call	3/15	No	No
1C	Calendar Year Kansas Municipalities Premium Exclusion Call	3/15	No	No
1D	Calendar Year New Mexico Small Policy Exemption Call	3/15	No	No
3	Policy Year Call	4/1	Yes	Yes
3A	Policy Year—Assigned Risk Call	4/1	Yes	Yes
5	Calendar—Accident Year Call	4/1	Yes	Yes
5A	Calendar—Accident Year—Assigned Risk Call	4/1	Yes	Yes
8	Reconciliation Report	4/1	Yes	Yes
10	Schedule Rating and Other Prospective Premium Adjustments Call	4/1	Yes	No
10T	Team-Primary Year Call for Schedule Rating Modifications	4/1	Yes	No
14	Calendar Year Expense Call	5/1	Yes	No
18	Accident Year Contractors Line Adjustment Expense	4/15*	Yes	No
26	North Carolina Addition to Calls #3, #5, and #10	5/1	Yes	No
27	Legal Fees and Commissions Call	4/1	Yes	Yes
30A	Virginia Coal Mine Policy Year—Assigned Risk Call	4/1	Yes	Yes
30V	Virginia Coal Mine Policy Year—Voluntary Call	4/1	Yes	Yes
33	Virginia Coal Mine Large Loss and Catastrophe Call	4/1	Yes	Yes

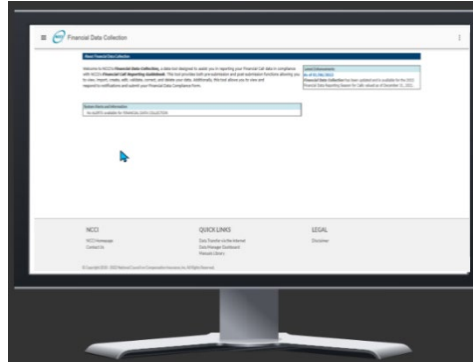


Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

How Do I Report the Data?

Financial Data Collection (FDC)

- Create
- Copy
- Validate
- Edit
- Submit



Resources on ncci.com

- **Financial Call Reporting Guidebook**
- Circulars
- **Data Quality Guidebook**
- **Financial Data Collection Tool**
- **Data Manager Dashboard**

Financial Call Reporting

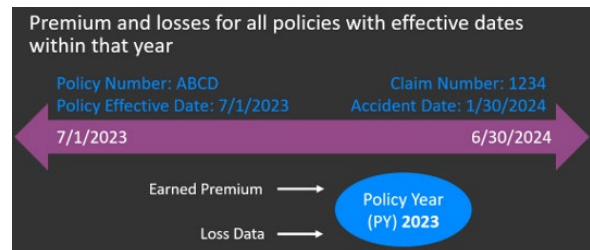
Market Types

- Voluntary:
 - Insureds who can obtain coverage through insurance companies
- Assigned Risk:
 - Insureds who cannot acquire coverage in the voluntary market; coverage is through a state-assigned risk Plan or Pool

Statewide = Voluntary + Assigned Risk

Primary Ratemaking Calls

- Policy Year
 - Policy Year (Call #3)
 - Assigned Risk (Call #3A)
 - Virginia Coal Mine—Voluntary (Call #32V)
 - Virginia Coal Mine—Assigned Risk (Call #32A)





Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

- Calendar-Accident Year
 - Calendar-Accident Year (Call #5)
 - Assigned Risk (Call #5A)

- Additional Primary Ratemaking Calls
 - Large Loss and Catastrophe (Call #31 and Call #33)
 - Reconciliation Report (Call #8)



Call #31—Large Loss and Catastrophe

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Mark for Delete	Claim Number	Policy Number	Cat Nbr	Mkt Type	Policy Date	Accident Date	Clim Stus	Accumulated Paid Losses		Case Outstanding		Defense and Cost Containment Expense	
								Indemnity	Medical	Indemnity	Medical	Accumulated Paid	Case Outstanding
<input type="checkbox"/>	WC98745	CO1234	0	3	07/01/2020	10/08/2020	0	500,000	1,000,000	500,000	2,000,000	5,000	10,000

Market Type: 0 - Assigned Risk, 2 - Large Deductible, 3 - Voluntary Claim Status: 0 - Open, 1 - Closed, 2 - Re-Opened

Total incurred losses \geq \$500,000.

- Sum of Indemnity and Medical Paid + Case Reserves
- Report Large Deductible claims across states
- Include Extraordinary Loss Event (ELE) claims regardless of size of incurred amount
- Large loss claims are a subset of Statewide and Assigned Risk Calls

Call #8—Reconciliation Report

Used to reconcile Calendar Year data reported to NCCI versus what was reported on company's NAIC Annual Statement—Statutory Page 14.



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

	Direct Premium Earned (1)	Direct Losses		Direct Defense and Cost Containment Expense (DCEE) Paid (4)
		Paid (2)	Incurred (3)	
Data Reported to NCCI				
1 Industrial Classifications- Excluding Large Deductible Policies (Calendar- Accident Year Call #5- most recent reporting year; Column 2; Line 2; Columns 4 + 5; Line 2; Columns 4 + 5 + 6 + 7; Line 2; Column 12)	0	0	0	0
Reconciliation Items				
2 F Classifications - Including Large Deductible Policies on a Net Basis	0	0	0	0
3 Maritime and Other FEIA Classifications - Including Large Deductible Policies on a Net Basis	0	0	0	0
4 Underground Coal Mine - Including Large Deductible Policies on a Net Basis (Virginia Exception: Underground and Surface Coal Mine)	0	0	0	0
5 National Defense Projects - Including Large Deductible Policies on a Net Basis	0	0	0	0
6 Large Deductible Policies on a Net Basis - Industrial Classifications	0	0	0	0
7 Small Deductible Policies - Difference between gross amounts reported to NCCI and net amounts reported on the NAIC Annual Statement (Kentucky Exception: Item not applicable since net amounts reported to NCCI)	N/A	0	0	0
8 Excess Policies	0	0	0	0
9 Loss Assessments Excluded from Losses Reported to NCCI	N/A	0	0	N/A
10 Incurred But Not Reported (IBNR) and Bulk Reserves	N/A	N/A	0	N/A
11 Catastrophe and Terrorism Provision Premium	0	N/A	N/A	N/A
12 Total [(1) - (2) + (3) + (4) + (5) + (6) - (7) + (8) + (9) + (10) + (11)]	0	0	0	0
NAIC Annual Statement				
13 Exhibit of Premiums and Losses (Statutory Page 34 Data), Line 16	0	0	0	0
Difference - explain below				
14 Difference = (13) - (12)	0	0	0	0
Reason for Difference				
15 Premiums Earned*				
16 Losses Paid*				
17 Losses Incurred*				
18 Defense and Cost Containment Expense Paid**				

* An explanation is not necessary if the difference is between \$5,000 and \$5,000.
** An explanation is not necessary if the difference is between \$50,000 and \$50,000.

State-Specific Calls

- Schedule Rating—Texas (Call #10T)
- Calendar Year Expense—Arizona, North Carolina, and Virginia (Call #14)
- Addendums—North Carolina (Call #26)

Supplemental Ratemaking Calls

- Schedule Rating/Other Prospective Premium Adjustments (Call #10)
- Accident Year Countrywide Loss Adjustment Expense (Call #19)

Premium-Based Billing and Residual Market Calls

- Net Direct Written Premium (Call #1)
- Direct Assignment Net Direct Written Premium (Call #1A)
- Alternate Equivalent Premium (Call #1B)
- Kansas Municipalities Premium Exclusion (Call #1C)
- New Mexico Small Policy Exemption (Call #1D)

Financial Data Compliance Form

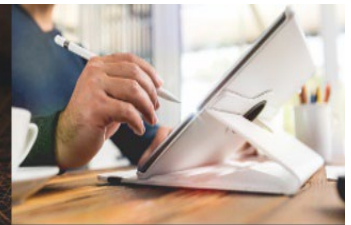
Form contains three parts:

- Part 1: Self-Audit Checklist
- Part 2: Self-Audit-Additional details
- Part three-Acknowledgement Electronic Signature

Note: Required if Calls #3 and #5 are reported.



Self-Audit: Common Reporting Requirements




Electronic Signature



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

Financial Call Reporting Resources

Financial Call Reporting Guidebook:



Financial Call Reporting Guidebook:

- Part 5—Financial Call Components**
- Part 6—Additional Requirements for Experience**
- Part 7—DSR Level Premium**
- Part 9—Financial Call Instructions**

Additional Call Requirements



- Call data is reported to state of exposure regardless of Call type
- Calls are reported on a direct basis (total premiums received before considering reinsurance)
- Call data is valued as of December 31

State of Exposure—Example

An insured has a workers compensation policy with a Georgia (GA) exposure. One of the workers was injured on a job in Florida. Which state is the premium and loss data reported in?





Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

Ratemaking Call—Format

NCCI Financial Data Collection

State: ALABAMA Carrier Group: 22222-NCCI TEST ACCT 2 (LIMIT USE ONLY CS_SYSTEM SUPPORT)
Valuation Date: 12/31/2021 Call: 3 Policy Year

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Policy Year	Policy Year Accumulated Earned Premium			Policy Year Accumulated Paid Losses		Policy Year Case Outstanding	
	Standard at NCCI Designated Stat. Reporting Level (1)	Standard at Company Level (2)	Net (3)	Indemnity (4)	Medical (5)	Indemnity (6)	Medical (7)
Prior to 1991	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0

Three Types of Premiums

Designated Statistical Premium (DSR)	Company Standard Premium	Net Premium
<ul style="list-style-type: none"> ▪ Premium earned using the appropriate NCCI-published rates or loss costs ▪ Used for ratemaking 	<ul style="list-style-type: none"> ▪ Earned premium using company’s loss cost multipliers or rate deviations ▪ Before application of adjustments ▪ Used for Validation 	<ul style="list-style-type: none"> ▪ Actual earned premium ▪ After application of adjustments ▪ Calendar Year reconciles to NAIC Annual Statement

Paid + Case Losses

- Two loss categories:
 - Indemnity—Replacement of lost wages
 - Medical—Medical care related to on-the-job injury
- Losses are broken down into:
 - Paid—Monies paid for claims, reported on an accumulated basis
 - Case Reserves—Monies set aside for future payments do not include IBNR or bulk reserves



Keep in mind, Medical Paid and/or Case Reserves on medical-only claims are included in the losses; however, this type of claim is **not** included in the indemnity claim count.



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Indemnity Claim Counts

Include	Exclude
<ul style="list-style-type: none"> Claims with an indemnity paid, indemnity case reserve, or both Open, closed, or reopened 	<ul style="list-style-type: none"> Medical-only claims Defense and Cost Containment Expense (DCCE)-only Claims Claims closed with no payment

Defense and Cost Containment Expenses (DCCE)

- Loss Adjustment Expense:
 - Defense by coverage provider for litigation involving a claim
- Cost Containment Measures

Data Relationships

Call Number	Validated Against Call(s)
3	3A, 5, 10, 26, 31
3A	3, 5A, 31
5	3, 5A, 8, 26, 31
5A	3A, 5, 31
8	5
10	3
14	26
26	3, 5, 14
31	3, 3A, 5, 5A
32A	33
32V	33
33	32A, 32V

Workflow

Workflow Benefits

Streamline reporting:

- Accuracy



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

- Efficiency

Key Steps

- Carrier
 - Step 1: Identify Expected Calls and Compliance Form—**Financial Call Reporting Guidebook**

Call No.	Required Reporting	Not Required	Reporting Exceptions
1 Calendar Year Call for Workers Compensation Net Direct Written Premium	You are required to report Call #1 if: <ul style="list-style-type: none"> You wrote workers compensation premium and you are an affiliated self-insured group/fund; or You wrote workers compensation premium and you did not report annual financial data to the National Association of Insurance Commissioners (NAIC). <p>Note: NCCI receives data from the NAIC in April and June. If the information needed for Call #1 is not included in the NAIC data received in April, you must report Call #1 to NCCI by the required due date.</p>	You are not required to report Call #1 if you are a carrier who reports annual financial data to the NAIC for the current reporting year. Note: This "Not Required" condition is based on your company's data being included in the NAIC data that NCCI receives in April.	You may choose to report Call #1 if you reported your annual financial data to the NAIC but also wrote United States Longshore and Harbor Workers' (USL&HW), Excess Coverage, or National Defense Plan or Defense Base Act policies as included in your NAIC Annual Statement, Line 16, Column 1; and you do not want Excess Coverage and National Defense Plan premiums included in either your Residual Pool participation or your NCCI Market premium-based billings.

Valuation Type	2022	2021	2020	2019
Financial Data Collection	11	11	11	11
2020 Net	11	11	11	11
2021 Net	11	11	11	11
2022 Net	11	11	11	11
2023 Net	11	11	11	11
2024 Net	11	11	11	11
2025 Net	11	11	11	11
2026 Net	11	11	11	11
2027 Net	11	11	11	11
2028 Net	11	11	11	11
2029 Net	11	11	11	11
2030 Net	11	11	11	11

- Step 2: Review and update Deviations History in the **FDC** tool—Carrier filed and approved rate Deviations or Loss Cost Multiplier (LCM) filing

Search Active Deviations

Active Deviations Filter

Carrier Code: 22222 - NCCI TEST ACCT 2 (UNT USE ONLY...)

State: Georgia

Search [Reset]

Search Active Deviation Results

Edit	State	Active Flag	Carrier Code	Effective Date of Deviation	NCCI DSR Level Effective Date	Deviation Amount	Comments	Rolling Multiplier	Filed or Calculated
	GEORGIA	<input checked="" type="checkbox"/>	22222	03/01/2022	03/01/2022	0.230		N	F

- Step 3: Create Calls—Create ALL Calls for a given state at one time

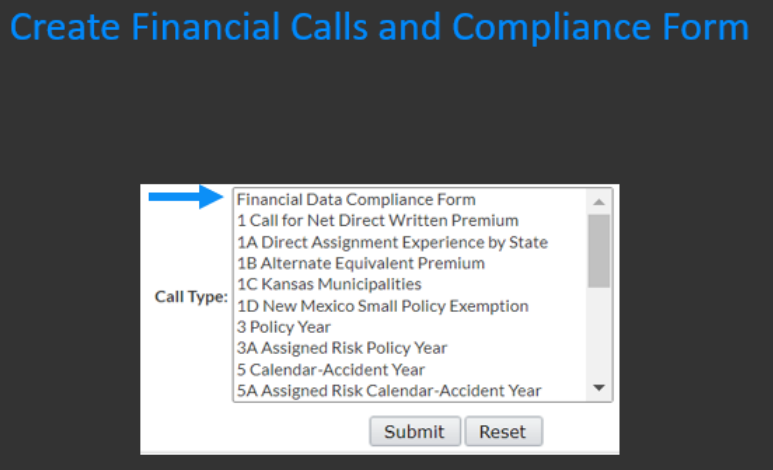
Create Financial Calls and Compliance Form

- Create—Key in data
- Copy—Baseline using data from prior valuation
- Import—Uses record layout in CSV format

Note: Create ALL Calls for a Given State at One Time



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation



- Step 4: Validate Financial Call Data (Edits)
 - Intra-Call validation—edits performed within a single Call
 - Inter-Call validation—edits performed comparing similar data input fields for Calls that are related

Call Number	Validated Against Call(s)
3	3A, 5, 10, 26, 31
3A	3, 5A, 31
5	3, 5A, 8, 26, 31
5A	3A, 5, 31
8	5
10	3
14	26
26	3, 5, 14
31	3, 3A, 5, 5A
32A	33
32V	33
33	32A, 32V

- Step 5: Address Edit Log—Critical and non-critical edits

Address Edit Log

Critical Edits!

- ≥ 1 : Call/Form will reject
- Corrections required

Non-Critical Edits

- Detailed explanations or correction needed

- Address all edits until they are resolved or explained
- Revalidate

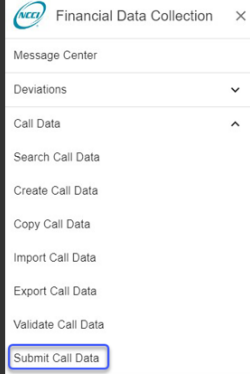
- Step 6: Submit Financial Call Data and Compliance Form



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

Submit Financial Call Data and the Compliance Form

- Most Calls and the Compliance Form are due April 1
- Subject to **ADQIP** Timeliness and/or Quality Assessments



- Step 7: Resolve Validation Inquiries Post-Submission

NCCI Validation	Carrier Response
<ul style="list-style-type: none">■ Actuarial Analysis■ Edit Validation and Notifications■ Data Comparisons	<ul style="list-style-type: none">■ Provide Explanations or Corrections■ Address by Due Dates Provided

When Is Data Available for Use?

- Financial Calls and Compliance Form submitted to NCCI
- Edit Notifications are resolved
- All additional Validation items are resolved

Workflow Recap

- Step 1: Expected
- Step 2: Deviations
- Step 3: Create
- Step 4: Validate
- Step 5: Edits
- Step 6: Submit
- Step 7: Resolve



Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

Financial Call Season Preparation

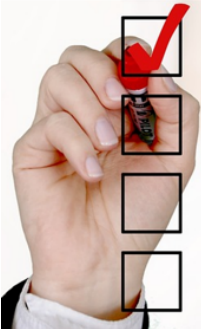
Key Takeaways

- Financial Call season components
- Tools needed for a successful data reporting season
- Primary resources available for preparing and submitting your data

Financial Call Season

Financial Call Season Components

Financial Call Season Components




- Prepare and report Financial Call data
 - Inquiries sent to data providers
 - Industry communications published
- Financial Calls & Compliance Form
 - Most are due on 4/1
 - Valued as of 12/31 of the prior year

Tools Needed for Reporting Data

Online Data Reporting and Monitoring Tools

- **Financial Data Collection** tool (*FDC*)
- **Data Manager Dashboard** (*DMD*)
- **Data Transfer Via the Internet** (*DTVI*)
- Access Verification

Access Verification – Customer Service



Customer Service:
800-622-4123

Business hours are Monday through Friday, 8:00 a.m. to 8:00 p.m. ET.
If outside normal business hours, please email Customer Service.

At NCCI, we're committed to our customers. Call us, email us, or access our **Office Directory** for Company Headquarter and branch office information.

Email:
Customer Service One-Day Response

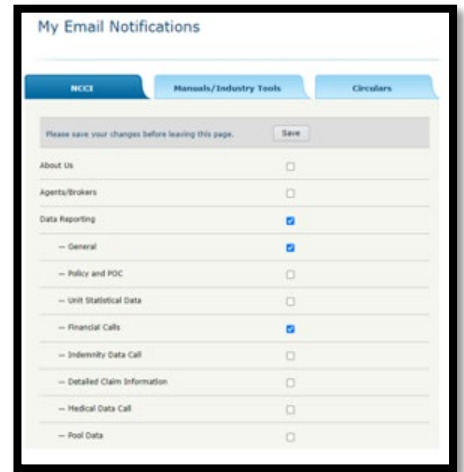


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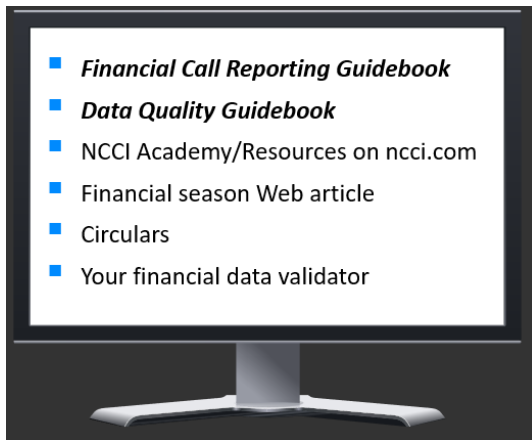
Access Verification—Email Notifications Setup

Under My Email Notifications are three tabs:

- NCCI
- Manuals/Industry Tools
- Circulars

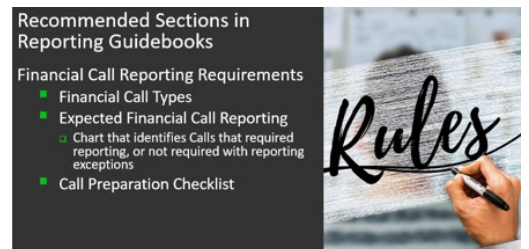


Primary Resources



Recommended Sections in Reporting Guidebooks

- **Financial Call Reporting Guidebook**
 - Part 2-Financial Call Reporting Schedule—Form and Call Due Dates
 - Part 3-Financial Data Reporting—Recommended Workflow
- **Data Quality Guidebook**: provides details regarding compliance program called **Aggregate Data Quality Incentive Program (ADQIP)**





Data Now Program (DNP) Financial Call Reporting Fundamentals & Season Preparation

NCCI Academy



NCCIACADEMY

CURRICULUM

Data Reporting Basics

Last Updated 04/10/2023 Duration 43 minutes

Details

The Data Reporting Basics curriculum consists of six courses representing data types reported to NCCI. Each course provides a high-level overview of the corresponding data type, how various events within a workers compensation policy translate into the various data types, and how NCCI uses the data generated from each data type for core products and services. It is recommended, but not required, that you take the courses in the order listed, and a knowledge check is available at the end of the curriculum. Upon successful completion of the Data Reporting Basics curriculum, you will receive a certificate.

Additional Resources—Financial Calls

- Learning Center
- Publications/Reports Section
- DNP Resource Library

Financial Season Timeline

Example of 2024 Financial Season

Financial Season Timeline Example			
			
Q3 2023	Q4 2023	Q1 2024	
<ul style="list-style-type: none"> • Financial Season web article • Season preview • Other applicable communications 	<ul style="list-style-type: none"> • <i>Financial Call Reporting Guidebook</i> • <i>Data Quality Guidebook</i> 	<ul style="list-style-type: none"> • <i>Financial Data Collection</i> tool • Introductory email • Season web article: Extended Hours 	Create and submit: <ul style="list-style-type: none"> • Financial Calls • Financial Data Compliance Form 

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