



# Data Now Program (DNP) Indemnity Incentive Program

## Key Takeaways

- Learn the details of the **Indemnity Incentive Program**
- Understand how to review your reporting performance using the **Indemnity Data Collection** tool

## Chapter 1: Program Overview

### Compliance Programs

There are two Data Quality Compliance Programs for the Indemnity Data Call:

- **Indemnity Incentive Program**—quarterly
- **Carrier Data Quality Report Program (Carrier Report Card)**—annually
  - Indemnity Addendum

### Applicability

The **Indemnity Incentive Program** is applicable to all carrier groups aligned with the participating affiliate group.

#### **Indemnity Incentive Program** applicable jurisdiction states:

Alabama	Hawaii	Maryland	North Carolina <sup>[*]</sup>	Vermont
Alaska	Idaho	Minnesota <sup>[*]</sup>	Oklahoma	Virginia
Arizona	Illinois	Mississippi	Oregon	West Virginia
Arkansas	Indiana <sup>[*]</sup>	Missouri	Rhode Island	Wisconsin <sup>[*]</sup>
Colorado	Iowa	Montana	South Carolina	Federal Act (USL&HW Act, FELA, Jones Act, Admiralty Law, and Federal Mine Safety and Health Act) <sup>[**]</sup>
Connecticut	Kansas	Nebraska	South Dakota	
District of Columbia	Kentucky	Nevada	Tennessee	
Florida	Louisiana	New Hampshire	Texas	
Georgia	Maine	New Mexico	Utah	

<sup>[\*]</sup> At the discretion of the independent bureau, this is an applicable Indemnity Data Call state. Report the Indemnity Data Call in conjunction with the designated statistical plan.

### Objectives of the Indemnity Incentive Program

- Ensuring all data is submitted by the due date
- Ensuring the data meets or exceeds timeliness, completeness, and quality criteria

### Evaluation Timing

- Transactional and Quarterly data are due by the end of the *following* quarter
- **Indemnity Incentive Program** is evaluated quarterly



## Data Now Program (DNP) Indemnity Incentive Program

Reporting Quarter	Due Date
Q1	June 30
Q2	September 30
Q3	December 31
Q4	March 31 (following year)

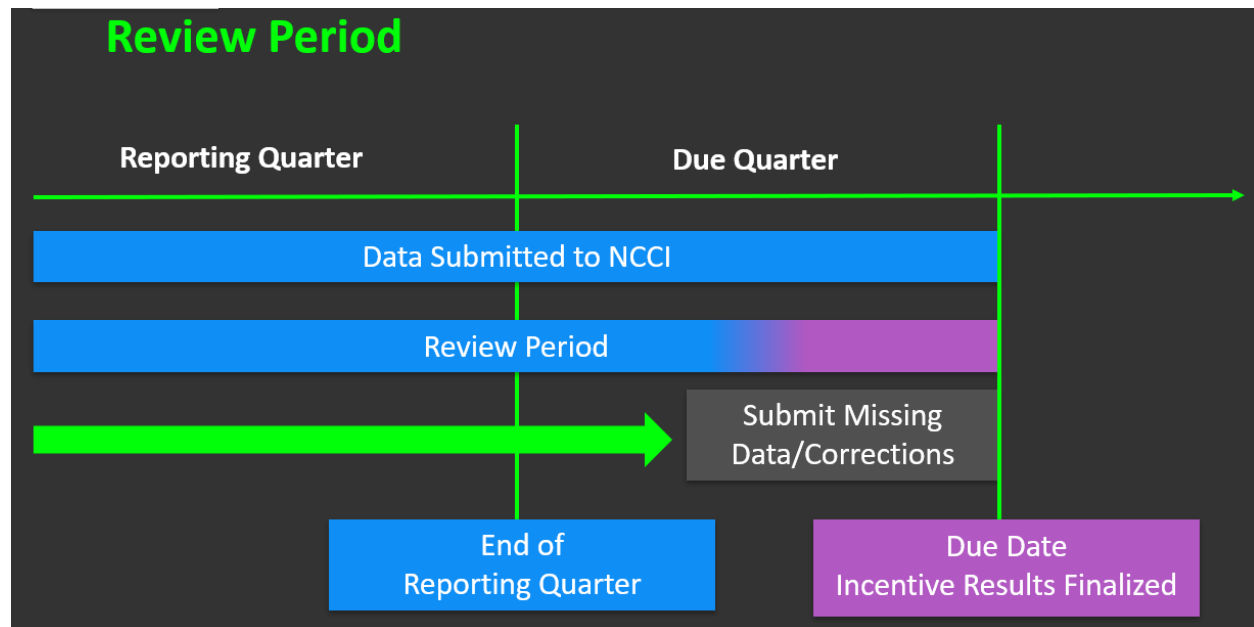
- Data submitted after the due date will not be included in the evaluation of results

### Review Period

Use the **Indemnity Data Collection** tool to review your reporting performance throughout the quarter to assist you in meeting the expectations of the Call and avoiding any monetary assessments.

We recommend submitting **ALL** your data at least **30 days** prior to the due date to provide you with sufficient time to review and submit any missing data or necessary corrections PRIOR to the due date.

The earlier you submit the data, the longer you will have for the review period.





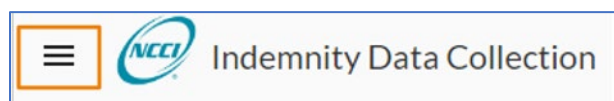
## Data Now Program (DNP) Indemnity Incentive Program

### Incentive Program Results

- Results displayed in the **Indemnity Data Collection** tool
- Quarter End Results updated as of the most recent submission
  - Results will not be updated after the due date has passed
  - Quarter End Results screen available for carrier users only
- Recommended action:
  - Ensure all your data has been successfully submitted for the reporting quarter
  - Early review provides time to address potential issues
  - Submit additional files, if needed, prior to the due date

### Accessing the Indemnity Data Collection tool on ncci.com:

### Once in the tool, click on the Menu box:





## Data Now Program (DNP) Indemnity Incentive Program

Then click on the Quarter End Results from the drop down:

Summary
File Results
Quality Tracking Results
Quarter End Results
Key Field Verification
Tools and Information
About

From the Quarter End Results screen, click on Incentive Results:

### Quarter End Results

Reporting Quarter 1Q2022 ▾

Due by  
Jun 30, 2022

COMPLETENESS RESULTS   QUALITY RESULTS   OBSERVATIONS   INCENTIVE RESULTS

#### Incentive Information

Transactional

View By Group Paid

View By Jurisdiction State Paid

View By Carrier Count

#### Unreported Claims

Transactional

Qualifying Claims	13,151
Matching to Quarterly Record	13,151
Matching Percentage	100.0%

View Unreported Claims

0

#### Quarterly

Qualifying Claims	12,157
Matching to Transactional Record	12,014
Matching Percentage	98.8%



## Data Now Program (DNP) Indemnity Incentive Program

### Chapter 2: Indemnity Incentive Program Components

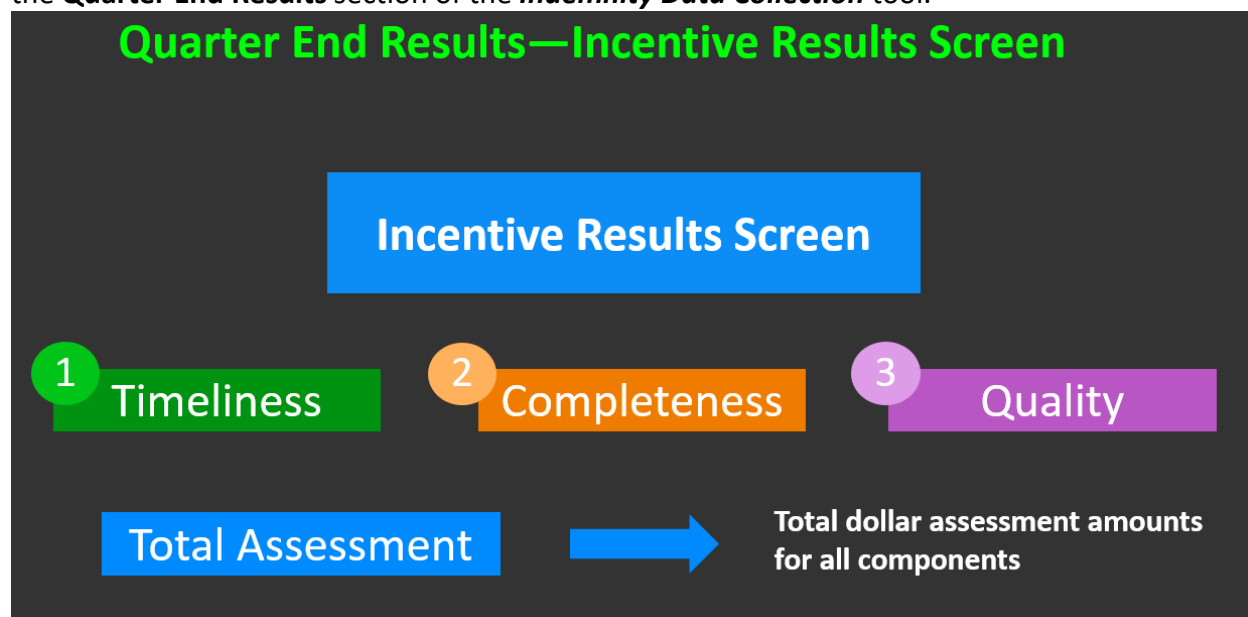
#### Components

The three components of this program are:

- Timeliness—ensures that both Transactional and Quarterly files have been reported by the Due Date for the reporting quarter
- Completeness—evaluates required data expected for: Group, State, Carrier, Unreported Claims Transactional, and Unreported Claims Quarterly
- Quality—evaluates Transactional and Quarterly data elements

#### Quarter-End Results

The performance for each component is located on the **Incentive Results** screen, available in the **Quarter End Results** section of the *Indemnity Data Collection* tool.



#### Timeliness

The Timeliness component ensures that both a Transactional and Quarterly file have been reported by the due date for the reporting quarter.

- If either file has been reported by the due date, "Pass" will be displayed next to the applicable record type
- If either file has not been reported by the due date, "Fail" will be displayed next to the applicable record type



## Data Now Program (DNP) Indemnity Incentive Program

### Completeness

There are five Completeness categories:

- Group
- State
- Carrier
- Unreported Transactional Claims
- Unreported Quarterly Claims

Performance details are displayed on the Completeness Results screen in the tool.

#### Group

- Each carrier group must submit the required amount of Indemnity Paid Losses for all companies within the data group for the reporting quarter
- NCCI then compares the carrier group's Estimated Expected Indemnity Paid Losses to the amount of Indemnity Paid Losses reported to determine the status of this category
  - The Estimated Expected Indemnity Paid Loss amount is derived from the Direct Paid Losses reported on the most recent NAIC Annual Statement

If Indemnity Paid Losses reported are ...	Then the results display as ...
Equal to or greater than the Estimated Expected amount	PASS
Less than the Estimated Expected amount	FAIL

#### State

- Each carrier group must submit all Indemnity data for *each* applicable Jurisdiction State in which it has indemnity paid losses
- NCCI will compare the Estimated Expected Indemnity Paid Losses against the Indemnity Paid Losses reported for each Jurisdiction state to determine the status of this category
  - The Estimated Expected Indemnity Paid Loss amount is derived from the Direct Paid Losses reported on the most recent NAIC Annual Statement

If Indemnity Paid Losses reported are ...	Then the results display as ...
Equal to or greater than the estimated amount for <b>all</b> expected Jurisdiction States	PASS
Less than the estimated amount for <b>one or more</b> expected Jurisdiction States	FAIL



## Data Now Program (DNP) Indemnity Incentive Program

### Carrier

- Each carrier group must submit the required amount of Indemnity data for all expected carriers within its carrier group
- The tool will display each Carrier Code that data is expected for, along with the count of Transactional records that have been reported for the quarter

If the number of Transactional records submitted ...	Then the results display as ...
Meets or exceeds the expected threshold for <b>all</b> carriers	PASS
Fails to meet the expected threshold for <b>one or more</b> carriers	FAIL

Example:

<b>View By Carrier Count</b>	→ PASS								
<table><tr><th>Carrier</th><th>Transactions Reported</th></tr><tr><td>11111 – NCCI Carrier 1</td><td>20,886</td></tr><tr><td>22222 – NCCI Carrier 2</td><td>3,640</td></tr><tr><td>33333 – NCCI Carrier 3</td><td>17,114</td></tr></table>	Carrier	Transactions Reported	11111 – NCCI Carrier 1	20,886	22222 – NCCI Carrier 2	3,640	33333 – NCCI Carrier 3	17,114	
Carrier	Transactions Reported								
11111 – NCCI Carrier 1	20,886								
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<b>View By Carrier Count</b>	→ FAIL								
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Carrier	Transactions Reported								
11111 – NCCI Carrier 1	20,886								
22222 – NCCI Carrier 2	0								
33333 – NCCI Carrier 3	17,114								

### Unreported Claims—Transactional Record

On a per-claim basis, when Transactional records are reported, which indicates there was indemnity payment activity, a Quarterly record is required to be reported. This is based on the Quarterly record reporting triggers available in the *Indemnity Data Call Reporting Guidebook*.

If the percentage of claims reported on the Transactional Record match those reported on the Quarterly Record ...	Then the results display as ...
Meets or exceeds the expected matching percentage	PASS
Fails to meet the expected matching percentage	FAIL

<b>Unreported Claims</b>	→ PASS										
<table><tr><th>Transactional</th><th></th></tr><tr><td>Qualifying Claims</td><td>29,664</td></tr><tr><td>Matching to Quarterly Record</td><td>23,101</td></tr><tr><td>Matching Percentage</td><td>98%</td></tr><tr><td>View Unreported Claims</td><td></td></tr></table>	Transactional		Qualifying Claims	29,664	Matching to Quarterly Record	23,101	Matching Percentage	98%	View Unreported Claims		
Transactional											
Qualifying Claims	29,664										
Matching to Quarterly Record	23,101										
Matching Percentage	98%										
View Unreported Claims											

Example:



## Data Now Program (DNP) Indemnity Incentive Program



### Unreported Claims—Quarterly Record

- On a per-claim basis, when a Quarterly record is reported, this normally indicates there was indemnity payment activity
  - Transactional records are required to be reported whenever there has been a change in the Indemnity Paid-To-Date amount, as noted in the Transactional record reporting triggers available in the *Indemnity Data Call Reporting Guidebook*

If the percentage of claims reported on the Quarterly Record matched to those reported on the Transactional Record ...	Then the results display as ...
Meets or exceeds the expected matching percentage	PASS
Fails to meet the expected matching percentage	FAIL

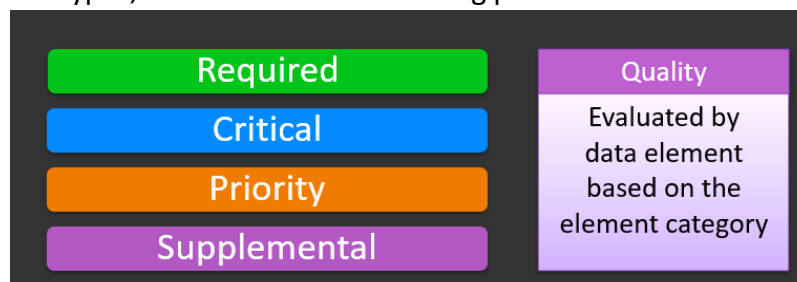
- Allowances will be made for scenarios where a Quarterly record is required to be reported, whereas an associated Transactional record is not required to be reported

Example:

Unreported Claims		 <b>FAIL</b>
Quarterly		
Qualifying Claims	53,268	
Matching to Transactional Record	23,644	
Matching Percentage	44%	
View Unreported Claims		

### Quality

- The Quality component evaluates data at the element level, for both the Transactional and Quarterly record types, based on the Call's editing procedures and element categories







## Data Now Program (DNP) Indemnity Incentive Program

- NCCI will compare the percentage of indemnity records that pass these edits based on thresholds
- The thresholds will vary by data element
- Monetary assessments will vary by element category
- Both are based on their importance and usage in the Call
- Refer to the Edit Matrix in the *Indemnity Data Call Reporting Guidebook*

### Incentive Results—Quality

- In the **Incentive Results** screen, the element name will be displayed for each element that does not meet or exceed the threshold

Transactional Element Category	Out of Range	Results	Assessment
Required	0 of 2	Pass	\$0
Critical	0 of 6	Pass	\$0
Priority	1 of 3	Fail	\$500

→ Weekly Benefit Amount

- For an Element Category to pass, *all* elements within it must meet or exceed the minimum threshold
  - If one or more elements does not meet the minimum threshold for a category, they are considered out of range and the results will be displayed as “Fail”
- Detailed results are available in the **Quality Results** screen within the **Quarter End Results** section
- This screen allows you to:
  - Select an element category and review the individual elements within it
  - Download a CSV file to obtain claim level details for an element with an existing edit



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Element	Passing Records	Edit Count	Edit Description	Edit Number	Edit Results
Benefit Offset Amount	100%	102	Benefit Offset Amount is zero when Benefit Offset Code is 2 or 3.	0446-02	
		8	Benefit Offset Amount is greater than zero when Benefit Offset Code is not 2 or 3.	0446-03	
Benefit Offset Code	100%				
Weekly Benefit Amount	94%	10,242	Weekly Benefit Amount is equal to zero when Lump-Sum Indicator is N which implies you are making periodic payments.	0532-02	
		2,313	Weekly Benefit Amount is greater than the State Maximum amount for corresponding Benefit Type Code.	0532-04	
		506	Weekly Benefit Amount is less than the State Minimum amount for corresponding Benefit Type Code.	0532-05	

Thresholds for each element (by category) were published in September 2022 in NCCI's Data Quality **Circular DQ-2022-01**. Refer to Attachment A in the circular for a complete list of all elements and the corresponding thresholds.

### Incentive Results—Quality



## Chapter 3: Indemnity Incentive Program Assessment Calculation

### Assessment Calculation Factors

There are three factors that will impact the **Total Assessment** calculation:

- Assessment
- Assessment Multiplier
- Assessment Level



## Data Now Program (DNP) Indemnity Incentive Program

### Assessment

This amount either displays the assessment for the Timeliness component **or** provides the summarized assessments for the Completeness and Quality components.

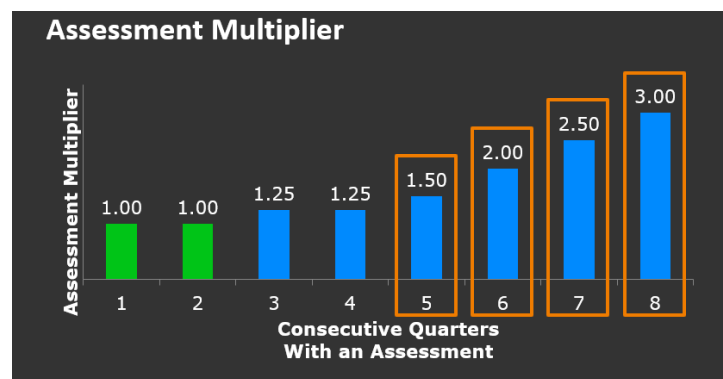
- **Timeliness**—an assessment will be applied if one or both record types have not been reported by the due date
- **Completeness**—if one or more categories do not pass, an assessment will be applied based on the total number of categories not passing
- **Quality**—if one or more individual elements has not met or exceeded the minimum threshold, an assessment will be applied to the **element category**, based on the number of elements within the category not passing
- Assessments will vary by element category, based on their importance and usage
- The assessment applied to each element category will then be summarized for the entire Quality component, which includes both the Transactional and Quarterly record types

**Note:** If an assessment is applied to the Timeliness component, then:

- An assessment will not be applied to the Completeness and Quality components
- Completeness and Quality components will still be evaluated, and the results displayed in the tool

### Assessment Multiplier

The next factor used in determining the Total Assessment is the Assessment Multiplier. This multiplier applies if a carrier group has received assessments for **three or more** consecutive quarters. It will be applied to the Assessment amount and increases as quarters consecutively receive assessments.



### Assessment Level

Assessment dollar amounts, for each component and associated category, are based on the reporting group's market share range, and each range is assigned an Assessment level.



Data Now Program (DNP)  
**Indemnity Incentive Program**

The market share is determined based on the most current annual NAIC Direct Written Premium in the NCCI Indemnity Data Call states.

Assessment Level	Market Share Ranges
1	$\leq 0.25\%$
2	$\geq 0.25\% - 1.50\%$
3	$> 1.50\%$

The assessment levels range from 1 to 3, representing the lowest to highest market share. Your carrier group's assessment level is displayed on the Incentive results screen.

#### Timeliness Assessment

Assessment Level	Market Share Ranges	Timeliness Assessment
1	$\leq 0.25\%$	\$3,750
2	$\geq 0.25\% - 1.50\%$	\$7,500
3	$> 1.50\%$	\$15,000

#### Completeness Assessment

Completeness assessments are based on the reporting group's market share and the number of completeness categories that did not pass (1 or 2 or 3, 4, 5).

Assessment Level	Market Share Ranges	Total Completeness Assessment Based on Categories Not Complete On Time		
		1	2	3, 4, or 5
1	$\leq 0.25\%$	\$625	\$1,250	\$2,500
2	$\geq 0.25\% - 1.50\%$	\$1,250	\$2,500	\$5,000
3	$> 1.50\%$	\$2,500	\$5,000	\$10,000



## Data Now Program (DNP) Indemnity Incentive Program

### Quality Assessment

The Quality Assessment amount is based on the carrier group's countrywide market share, and the quality category (Supplemental, Priority, Critical, or Required) of the data element. Assessments apply for each data element that does not meet the data element editing thresholds.

Assessment Level	Market Share Ranges	Quality Assessment per Data Element Based on Element Category			
		Supplemental	Priority	Critical	Required
1	< = 0.25%	\$25	\$125	\$250	\$500
2	> = 0.25% - 1.50%	\$50	\$250	\$500	\$1,000
3	>1.50%	\$100	\$500	\$1,000	\$2,000

### Total Assessment Calculation

The Total Assessment amount is calculated by multiplying the Assessment amount by the Assessment Multiplier:

Total Assessment = Assessment\* x Assessment Multiplier

*\*Based on the Assessment Level for the carrier group*

NCCI recommends reviewing the Incentive Results screen *throughout* the reporting quarter in order to provide adequate time to submit missing data or address reporting issues by the due date to avoid any assessments.

### Assessment Evaluation and Billing

The **Indemnity Incentive Program** evaluates a data provider group's Indemnity Call data on a quarterly basis to determine assessments to be billed for each invoice. Assessments are based on the transactional and quarterly Indemnity Call data received as of the due date, and NCCI issues invoices the second month after each quarter

There will be a separate invoice issued for the **Indemnity Incentive Program**. The applicable assessment for the quarter can be viewed using NCCI's **Online Invoice Service** at [ncci.com](https://ncci.com).



Data Now Program (DNP)  
**Indemnity Incentive Program**

Reporting Quarter	Due Date	Invoice Month
Q1	June 30	August
Q2	September 30	November
Q3	December 31	February

**Invoices are billed 2 months after the due date.**



## Data Now Program (DNP) Indemnity Incentive Program

### Chapter 4: Indemnity Incentive Program Review Process

NCCI recommends the following process when reviewing your reporting performance using the **Indemnity Data Collection** tool:

- **Research**—if you have found any issues while reviewing your results in the tool, or observations provided to you by your NCCI validator
- **Communicate**—if you have any questions or concerns with your results, communicate directly with your NCCI validator
- **Implement Corrective Action**—if you find incomplete or inaccurate data during your review, the last step involves implementing corrective action

#### Review and Corrective Action—Timeliness

Based on your user role, we recommend using the following screens and review process to determine the applicable corrective action needed when identifying **Timeliness** issues:

User Role / Screen	Review	Corrective Action
<b>Group</b> <b>Summary Screen → Files</b> <i>Displays trending information by reporting quarter</i>	Number of files submitted by reporting quarter Total Paid Losses reported by reporting quarter	<ul style="list-style-type: none"><li>• Submit missing data</li><li>• Fix and resubmit new files</li></ul>
<b>Group &amp; Data Provider</b> <b>File Results &amp; Production Report</b>	Rejected files Returned records Files submitted by Data Providers	

#### Review and Corrective Action—Completeness

Based on your user role, we recommend using the following screens and review process to determine the applicable corrective action needed when identifying **Completeness** issues:

User Role / Screen	Review	Corrective Action
<b>Group</b> <b>Quarter End Results Completeness → Incentive Information</b>	Difference in Expected Total Paid Losses Missing Carrier Codes or Jurisdiction States New System or Data Provider	<ul style="list-style-type: none"><li>• Provide information to your Validator to recalculate Paid Losses</li><li>• Submit missing data for current and/or prior quarters</li></ul>
<b>Group &amp; Data Provider</b> <b>File Results &amp; Production Report</b>	Rejected files Returned records Files submitted by Data Providers	



## Data Now Program (DNP) Indemnity Incentive Program

### Quality

Based on your user role, we recommend using the following screens and review process to determine the applicable corrective action needed when identifying **Quality** issues:

User Role / Screen	Review	Corrective Action
<b>Group</b> <b>Quarter End Results →</b> <b>Quality Results</b>	<ul style="list-style-type: none"><li>Behavioral or systemic issues</li><li>New system or Data Provider</li></ul>	<ul style="list-style-type: none"><li>Training</li><li>System fix</li><li>Historical data or future submissions only</li></ul>
<b>Group &amp; Data Provider</b> <b>File Results →Production</b> <b>Report</b> <i>Displays individual file results</i> <b>Quality Tracking Results</b> <i>Displays aggregate results by data provider</i>		

### Chapter 5: Indemnity Incentive Program Resources

The following online tools and resources are available on **ncci.com**:

- **Data Quality Guidebook** includes the details on the **Indemnity Incentive Program** and **Carrier Data Quality Report Program (Carrier Report Card)**
- **Indemnity Data Call Reporting Guidebook** includes the reporting requirements, record layouts, data dictionary, coding values, and edit matrix
- **Indemnity Data Collection** tool enables you to view the status of your submissions and monitor your data reporting performance from submission through each stage of editing
- **Indemnity Data Collection** Tool User's Guide includes step-by-step online navigation instructions to assist you in reviewing your results in the tool
- Indemnity Data Call section on **ncci.com** includes additional information related to the Call with links to Tools, Resources, Learning Center, and Recent Publications

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