Key Takeaways

- Submit quality Unit Data in a timely manner
- Review, research, and respond
- Rely on your resources
- Unit Data is crucial to workers compensation

Chapter 1: What Is Unit Statistical Data?

- Audited information about a policy
- Main components of Unit Data

  - Exposure
    - Workers compensation typically uses payroll as the exposure basis
    - Exposure aggregated by Class Code, which represents employees with the same type of work
  - Premium—What the insured pays for the policy
  - Losses—Costs to cover any injuries or disease suffered by the insured's workers

Chapter 2: Why Is Unit Statistical Data Important?

- NCCI uses Unit Data in various products and services that we provide.
- Examples include

  - Class Ratemaking—Determines the premium to charge for each Class Code
  - Experience Rating—Adjusts premium based on the riskiness of an individual business
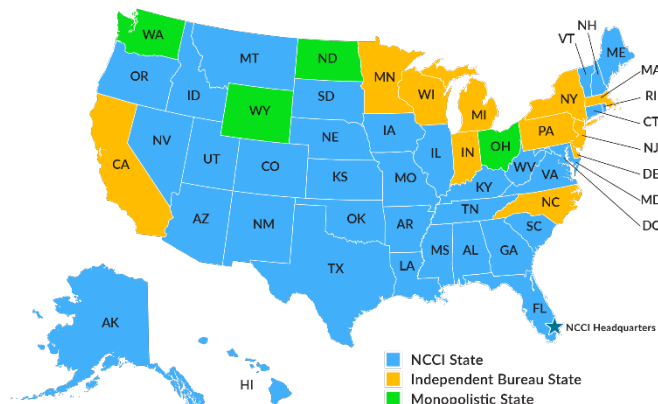 - Actuarial Analysis—Could impact workers compensation regulations and legislation

Chapter 3: The Unit Reporting Process

Where Data Reporting Is Required

Insurance carriers must submit a separate unit for each state on the policy, for states that apply.

State Categories

NCCI states—Report these states' units to NCCI.

Independent bureau states—Report Wisconsin and North Carolina data to NCCI or the independent bureau, depending on your company's process.

Monopolistic states—Do not report to NCCI.

-
-

When to Report Unit Data

Types of Units

- First Reports—Include exposure and initial valuation of losses
- Subsequent Reports—Updated information for loss development, including open, reopened, and newly arising claims

Time Frames

- First Reports—Valued 18 months after Policy Effective Date. Due 2 months after valuation.
- Subsequent Reports—Valued 12 months after previous report valuation. Due 2 months after valuation.
  - o Only include loss data. No exposure.
  - o Up to 10 report levels.
  - o Do not have to report once all claims on the unit are closed.

Due Month Chart

This chart shows for the due month, in months after Policy Effective Date, for each report level.

Report Level	Valuation Month	Due Month
1	18	20
2	30	32
3	42	44
4	54	56
5	66	68
6	78	80
7	90	92
8	102	104
9	114	116
10	126	128

Determining When a Unit Is Due

- Unit Report Control (URC) feature in the **Unit Data Collection** tool shows units that are expected, received, and overdue
- URC Reports in the **Data Reports** tool list expected and overdue units for the month

Chapter 4: Creating a Unit

Issuance of a policy means that NCCI expects a unit. These are the components of a unit.

- Data elements—The building blocks of a unit:
  - They describe characteristics like unit identification, exposure, claimant information, premium, and loss amounts
  - Come from the insurance company's source system
- Records—A line in a Unit Data file composed of multiple data elements. Record include:
  - Header—Values associated with the policy, like policy number and policy effective date.
  - Name—The named insured on the policy.
  - Address—The location of operations. This is an optional field.
  - Exposure—The audited payroll and premium for the policy.
  - Loss—The information reported for the claim.
  - Total–Optional field for NCCI. Primarily reported for independent bureau states.
- Unit—Consists of a group of records for a policy and state.

Unit Examples

In this example, Steph Co is a manufacturer of candlesticks with a plant in Florida.

- Steph Co has employees working in clerical (Class Code 8810) and brass manufacturing (Class Code 3315) fields.
- Two Steph Co employees, Tom and Dick, had claims that were reported prior to the first valuation. Harriet's claim was reported after the first valuation.

Record Type	First Report Sample Data Elements by Record Type	Subsequent Report Sample Data Elements by Record Type
Header	Risk ID, FEIN	Risk ID, FEIN
Name	Steph Co	Steph Co
Address (optional)	xxxx FL	xxxx FL
Exposure	Class Codes (8810, 3315), Rates, Amounts	NOT REPORTED
Loss	Claims for Tom and Dick	Claims for Tom, Dick, and Harriet
Totals (optional)	Total exposure and losses	Total exposure and losses

Reporting Resources

- ***Statistical Plan Manual***—Provides rules for reporting Unit Statistical data
- Unit Statistical Reporting Guidebook—Companion to the Statistical Plan Manual

o   Instructions, guidelines, and examples
o   Edit and validation matrices

Data reporting manuals are located on **ncci.com** within the **Manuals Library** section of *NCCI Atlas*.

Chapter 5: Data Elements

Common Data Elements Across Records

These data elements are reported on all Record Types.

- Policy Number
- Carrier Code
- Report Number
- Correction Sequence Number
- Policy Effective Date
- Exposure State

Policy Number, Carrier Code, Policy Effective Date, and Exposure State must be consistent across all report levels.

Header Record Data Elements

The Header Record has 15 elements, some of the elements include:

- Deductible Type Code
- Policy Type Code
- Risk ID
- Policy Conditions

Estimated Audit Code is a Policy Condition that indicates if the unit is estimated or audited.

- Y–Estimated exposure and premium
- N–Exposure and premium are final as of 1st report

Exposure Record Data Elements

The Exposure Record has 10 elements. Some of the elements include:

- Exposure Amount
- Premium Amount
- Class Codes Rates
- Statistical Codes
- Experience Mod

Class Codes and Statistical Codes

- Class codes are used to describe a risk's operation
- Statistical Codes identify premium credits and debits that modify premium

Exposure Amount

The amount reported for exposure depends on the Class Code or Statistical Code.

- For most Class Codes, the exposure is based on employee payroll. The Exposure Amount includes salary and wages.
- For other Class Codes, exposure is calculated on a per capita (per person) basis.
- Statistical Codes generally indicate premium adjustments, so exposure is reported as zero. Exceptions may apply.

Premium Amount

- The premium amount is obtained from the exposure
   - The calculation is Exposure x Rate / 100
- Report it under the appropriate Class Code

Loss Record Data Elements

The Loss Record has 24 elements. These elements are tied to individually reported claims and include things like:

- Part of Body
- Injury Type Code
- Vocational Rehabilitation
- Accident Date
- Claim Number

Claim Number

- Identifies the claim
- Remains consistent for the life of the claim

Accident Date

- Always required
- Must be within policy period
- Keep consistent
- Determining the Accident Date:

If Accident Date is Known	If Accident Date is Not Known (Occupational Disease or Cumulative Injuries)
Report the date the accident occurred. Example: - Accident occurred on 4/20/2019 - Report 4/20/2019 as the Accident Date	Use the claimant's last date of exposure to the conditions causing the disease or injury.

Losses

Two categories:

- Medical: The portion of the claim that covers medical related expenses
    - Examples: doctor fees, hospital payments, exams, medical claim reserves
- Indemnity: The portion of the loss for replacement of lost wages, or other items that benefit the claimant

Reporting Losses

Losses are reported within these fields.

- Incurred Amount = Paid Amount + Reserved Amount
- Paid Amount = Paid Amount only

Additional Notes on Losses

- Class Code reported on losses must be present in exposures
- Paid and Incurred amounts should match when closed

Injury Description Code

Injury Description Code is made up of three parts.

Injury Description Part	Description	Example	Example Code
Part of Body	What part of body got injured?	Foot	56
Nature	What was the result?	Burn	04
Cause	What caused it to happen?	Fire	04

Part 6 of the *Statistical Plan* provides a table that breaks down each body part and the associated codes and descriptions.

Part of Body Code Assignment

- Based on the specific part of body affected by the injury
- Looks to the specific body part that had the most significant contribution to the cost of the claim
- Report using the Part of Body Codes located in Part 6 of the *Statistical Plan*

Chapter 6: Reporting Your Data

Resources

- WCIO Workers Compensation Data Specification Manual
  - Shared resource between NCCI and independent bureaus for electronic reporting
  - Requirements for electronic reporting
  - Includes details, definitions, and instructions
  - WCSTAT section
- Electronic Transmission User's Guide (ETUG)
  - Resource for electronic reporting Instructions for sending and receiving files to and from NCCI
  - Naming conventions
  - Forms

Submission Methods

Submit your unit files using:

- ***Data Transfer via the Internet (DTVI)***
- ***Unit Data Collection*** tool
  - Allows you to search, view, research, and update units

Ready to Submit

Prepare the data in the system → Create unit file according to WCSTAT layout → Pre-edit file → Submit file
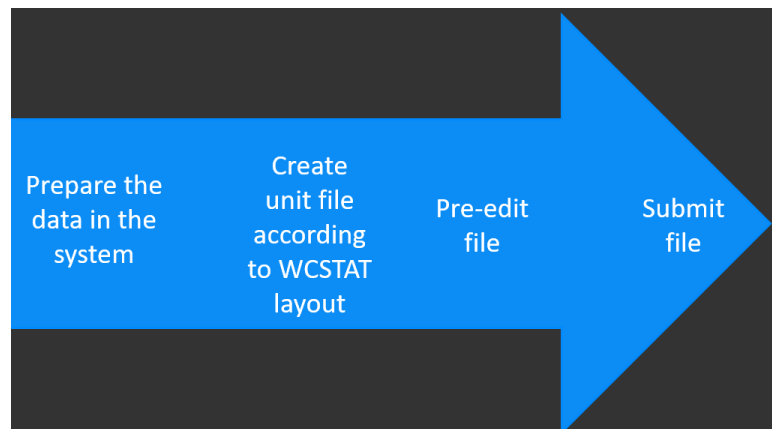
Chapter 7: Editing and Validation Process

Edit Types

Follows electronic reporting rules	Follows data reporting rules
File Submission	Standard
Post-Submission Validation	Submission Validation
Validator checks for reasonability	System checks for suspect conditions
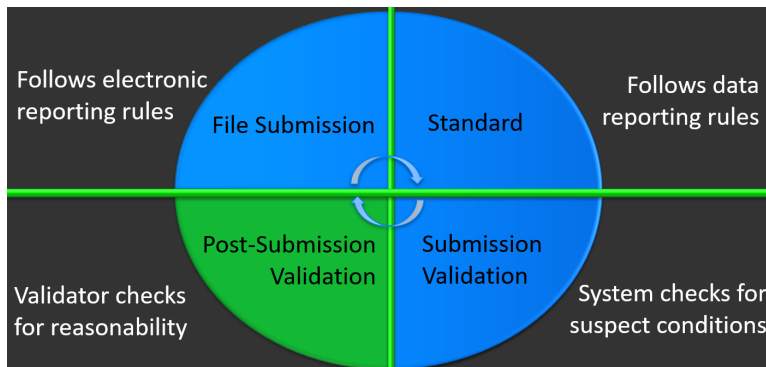
Purpose of Unit Validation

Units are examined for:

- Accuracy—Have the payroll and/or claims been assigned to the correct class?
- Completeness—Have all the claims been reported?
- Reasonability—Is it reasonable to report a death injury type code with a part, nature, cause showing a finger laceration?
- Validity—Is it legitimate to receive three identical units, all with the same class and payroll?

Unit Edit and Validation Process

Units Submitted to NCCI → Quality Editing → NCCI Review → NCCI Sends Questions To Data Provider → Data Provider Review, Research, and Respond → NCCI Reviews Response → Quality Data
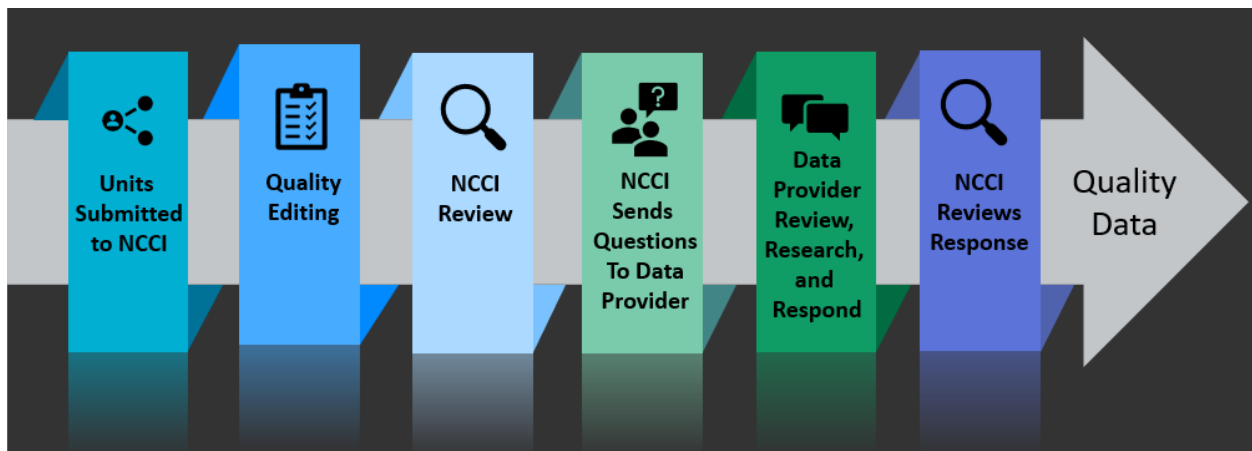
Validation Edits

Statuses of submission and post-submission edits are provided in *UDC*.

Unit Submission Results Report

Example of the PDF version with the Summary page.

Unit Edit Matrix

Record Type	Edit Number/ Type Code	Data Grade	Data Field	Edit Message/ Validation Description	Edit Description/ Validation Summary	Report Type
5	0282-14	5	Class Code	CORRESPONDING EXPOSURE CLASS CODE IS MISSING FOR THIS LOSS RECORD	The loss Class Code on the incoming unit must have a corresponding exposure Class Code with nonzero exposure amount when there is nonzero loss or Paid ALAE amounts. EXCEPTION: Loss Class Codes where exposure amounts are not applicable. Associated Net Edit 0282-18	All

USRG

Unit Data Grades

All edits have data grades, which help identify the severity of the edit and potential corrective action you may need to take.

Data Grade	Description	Corrective Action
0	Error Free	None
1	Informational	Correction is not required
2	Suspect	Correction and/or explanation may be required
3	Default	A correction is required if NCCI's default value is incorrect
4	Priority	Correction is required
5	Priority/ Critical	For 1st reports, a correction or replacement is required. For subsequent and prior correction reports, a correction is required.
9	Reject	Correct the issue and resubmit

Chapter 8: Responding to Edits

Submission Results Report Email

Dear Dep Eighteen Trainer:

Your report is available resulting from the below file submission:

Coverage Provider Group ID: 45856
File Name: unit25e.dnpc821.u1.txt
User ID: 1299671
User Name: Dep Eighteen Trainer
Submission ID: 3418550

Your Submission Details are listed below
Number of units with Reject edits (DG 9): 0
Number of units with Non-reject edits and suspect conditions (DG 2, 3, 4, 5): 219

Please click this link to retrieve your report via the ***Data Reports*** tool.

You are receiving this e-mail as a data customer of NCCI. Please do not respond to this system-generated e-mail. If you have questions or feel that you have received this e-mail in error, please contact Customer Service (reference this Submission ID: 3418550).

Unit Data Collection Tool

Search Units lets you find and research units that received edits.
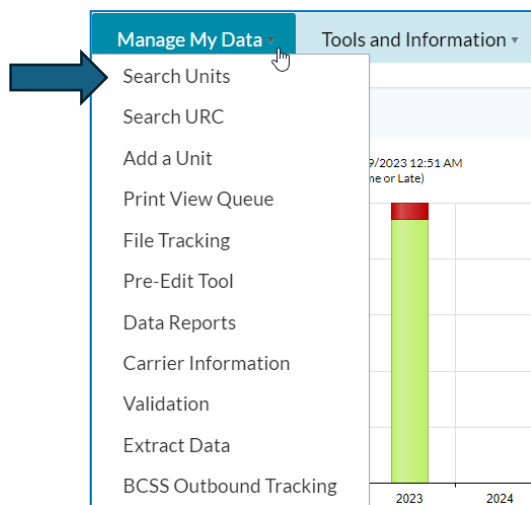
Validation Edit Alert Email

Subject: ACTION NEEDED - Your Rejected Unit Validation Suspect Conditions Explanations from NCCI for Carrier 45856

Rejected Explanations

Action Needed – You have explanations that have been rejected for Unit Validation Suspect Conditions. Please click here to access them for Carrier 45856.

Subject: ACTION NEEDED - You have Post Submission Suspect Conditions from NCCI for Carrier 45856

Post Submission Suspect Conditions

Action Needed – You have Post Submission Suspect Conditions. Please click here to access them for Carrier 45856.

NCCI has stored the following file in your mailbox. This file will remain in your mailbox for eight (8) days after this notice was sent to you.

File Name: val_post_rpt_45856_MMDDYYYY.csv

To access your Data Transfer via the Internet mailbox, go to: https://www.ncci.com / DTVI/

Subject: ACTION NEEDED - Your Outstanding Unit Validation Suspect Conditions from NCCI for Carrier 45856

Outstanding Suspect Conditions

Action Needed – You have Outstanding Unit Validation Suspect Conditions. Please click here to access them for Carrier 45856.

NCCI has stored the following file in your mailbox. This file will remain in your mailbox for eight (8) days after this notice was sent to you.

File Name: val_out_rpt_45856_ MMDDYYYY.csv

To access your Data Transfer via the Internet mailbox, go to: https://devwww.ncci.com / DTVI/

Example email alerts, issued from NCCI to the unit contact at the data provider.

Validation Feature in UDC

The primary method of communication used between data providers and NCCI to address suspect conditions.

Data Provider Process

Review	Research	Respond
Suspect conditions in the validation feature of UDC	Internal systems and compare with NCCI's *Statistical Plan* and *Unit Statistical Reporting Guidebook*	Submit corrections as needed and/or a detailed explanation

Three R's
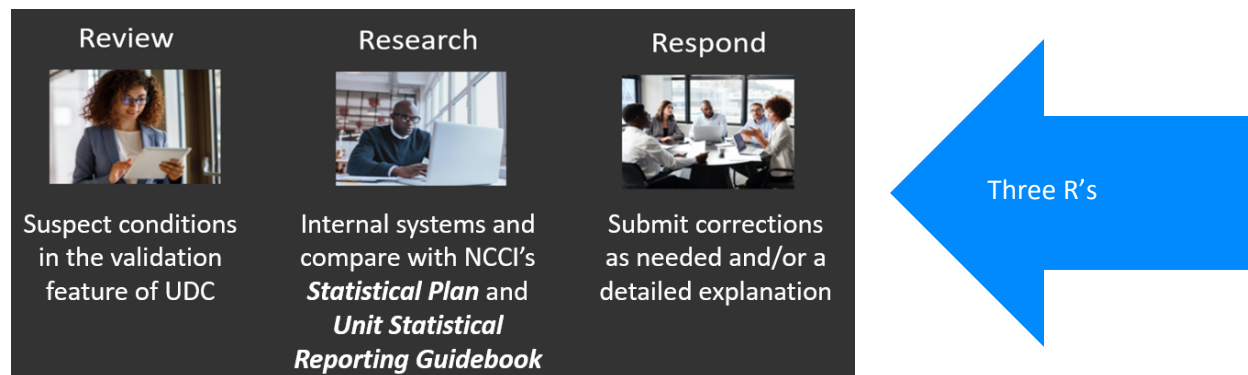
Data Provider Partners

You may need to reach out to your company partners to research.

- Claim Administration
- Premium Audit
- Third Party Administrator
- Underwriting Department

Knowing that all suspect conditions have a due date, we recommend sharing the information as soon as possible to ensure that they have sufficient time to review the data.

Chapter 9: Correction Reports

Correction Reports

Correction Reports revise previously reported data.

When to Report Corrections and When Not to Report Corrections

When to Report Corrections	When Not to Report Corrections
Unit previously reported with errors	Loss Development • Loss values that changed after the valuation date • Changes in reserves or amounts paid
Previous undetermined Part of Body Code was determined	Change in injury type • For example, injury type 6 becomes a 5
Subrogation Recovery or Second Injury Fund Reimbursement	
Final audit completed	
Claim determined to be noncompensable	
Claim determined to be fraudulent	

Link Data

These fields connect the correction to the appropriate report level:

- Coverage Provider ID
- Policy Number
- Policy Effective Date
- Exposure State
- Report Number

These, along with the Correction Sequence Number, must be reported consistently across all report levels.

Reporting Corrections

Use the appropriate Correction Type Code

- H—Header
- E—Exposure
- L—Loss
- M—Multiple
- A—Aggravated Loss

Also report the following.

- Correction Sequence Number
- Update Type Code using either
    - The P and R (Previous and Revised) method, or
    - A, C, or D (Add, Change, Delete)

Exposure Record Corrections

- Accepted 1st report level only
- Incorporates matching fields to tie corrections to 1st reports
    - Class Code or Statistical Code
    - Exposure Act/Exposure Coverage Code
    - Experience Modification Effective Date
    - Rate Effective Date

USRG

Part 4-A
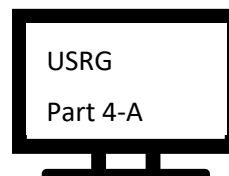
Loss Record Corrections

- Can be reported at any report level
- Incorporates matching fields to tie corrections to first reports
    - Claim Number
    - Accident Date
- Class code reported for claim must be included in payroll

USRG

Part 5-A
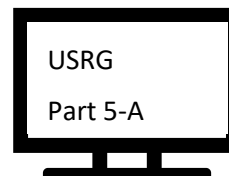
Correction Rejections

What are some reasons a correction could reject?

- Duplicate records
- Unmatched unit

Chapter 10: Addressing Edits

Standard Validation Edit 0068-02 in UDC

This example addresses potential suspect estimated exposure.

DNP TEST, INC.

Pol Nbr	Pol Eff	State	Rpt Nbr	Curr DG
NCCI12345	06/27/18	MA-20 ⊕ URC	3	2

Carrier
99999

Return to Validation

Outstanding Unit Edit / Validation View

Record DG	Int/Ext	Record Type	Rpt Nbr	Corr Seq	Field Name	Edit Nbr/Type Code	Edit Msg/Validation Desc	Reported Value	Defaulted Value	Explanation Journal
2	E	H	1	2	ESTIMATED EXPOSURE INDICATOR	0068-02	CORRECTION REPORT WITH AUDITED EXPOSURE IS REQUIRED	Y		

If Estimated Exposure Indicator is equal to Y, a correction report with audited amount may be required.

If Estimated Exposure Indicator is equal to Y, a correction report with audited amount may be required.

Research: Determine if the exposure is truly estimated or not.

Respond: In this case the indicator should be "N", therefore, submit a header correction.

Submission Validation Edit L303 in UDC

This example addresses a suspect permanent total disability claim that appears inconsistent.

DNP TEST, INC.

Pol Nbr	Pol Eff	State	Rpt Nbr	Curr DG
NCCI12345	02/01/17	MA-20 ⊕ URC	4	2

Carrier
99999

Return to Validation

Outstanding Unit Edit / Validation View

Record DG	Int/Ext	Record Type	Rpt Nbr	Corr Seq	Field Name	Edit Nbr/Type Code	Edit Msg/Validation Desc	Reported Value	Defaulted Value	Explanation Journal
2	E	L	2	1	VALIDATION LOSS CONDITIONS Status: OPEN	L303	Claim Nbr: TEST123 Accident: 12/4/17 CLAIMS ARE REPORTED WITH PERMANENT TOTAL DISABILITY AND SUSPECT INCURRED AMOUNTS	Inj Type 02, Incur Indem 46959, Incur Med 10091		

Research: Review the injury type and incurred indemnity amount reported on the claim to determine if they are accurate at the suspect report level.

Respond: In this case, a correction was submitted to revise the claim and resolved the edit. The Explanation Journal shows that the suspect condition was cleared.

C821 Post-Submission Validation Edit in UDC

This example addresses unusual exposure and/or claim development.

Research: Determine if the payroll and claims reporting is accurate for the unit.

Respond: In this case, a detailed explanation was provided which satisfied the suspect condition. The data provider's response was accepted in the Explanation Journal.

L284 Post-Submission Validation Edit in UDC

This example addresses unusual claim development.

Research: Review the information requested from the edit. This request is specifically about claims so you may want to reach out to the Claims department or perform research by looking at your internal systems for accuracy.

Respond: In this case, the data provider did not provide enough detail to explain the suspect reporting. The response was rejected in the Explanation Journal and additional information was requested.

Chapter 11: Data Quality

Impact of Data Reporting

- Volume of data and the impact to class ratemaking
  - Anomalies within larger pools of data may not be as impactful
  - Anomalies within smaller pools of data may have significant impact
- Larger pools of data can absorb more fluctuations than smaller pools of data

Common Causes of Data Anomalies

- New to Unit Statistical Data reporting
- Simple human error
- System changes
- Unfamiliar with reporting rules

Unit Data Compliance Programs

- *Data Quality Incentive Program (DQIP)*
- *Data Quality Report Program (Carrier Report Card)*
- *Data Quality Remediation Program*
- *Regulator Exception Program*

What is the most important NCCI resource your company uses?
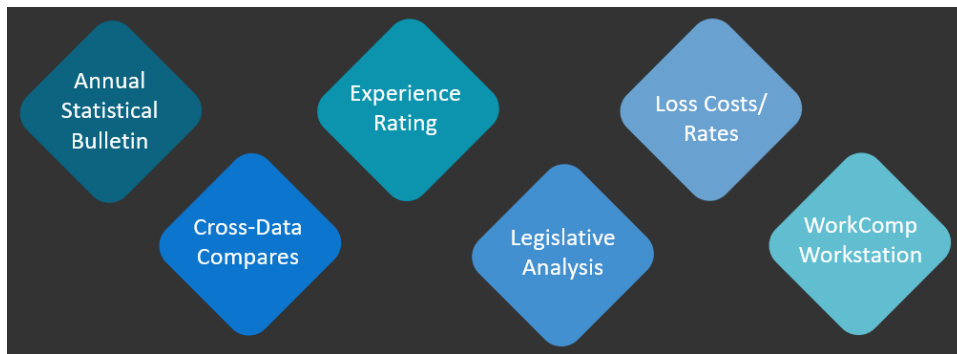
Chapter 12: Additional Resources

- Unit Statistical Data Reporting Page
- Data Reports tool
- Learning Center
- Show Me How Videos
- Customer Service
- Assigned Data Validator