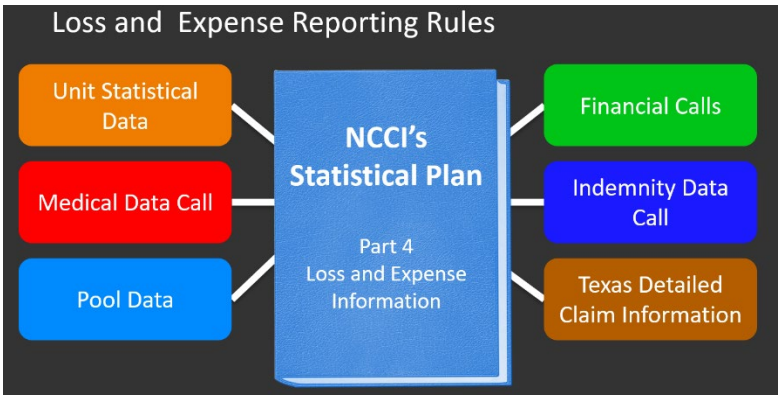
Data Now Program (DNP)

Reporting Complex Claims and Losses for Unit Statistical Data

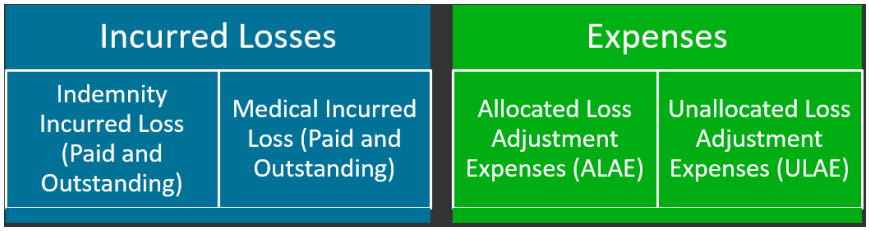
Resources



- NCCI's ***Statistical Plan***:
  - Contains loss and expense reporting rules
    - National rules applicable to NCCI states and Indiana
    - State exceptions may apply
  - Refer to the independent bureaus' statistical plans for rules in those states
- ***Unit Statistical Reporting Guidebook***:
  - Includes additional Information and examples
  - Contains the edit matrix

Chapter 1: Loss Data Components

The gross incurred loss is the full value of the claim, which must be reported. It equals the sum of all paid and outstanding indemnity and medical amounts as of the valuation date.



Indemnity Loss

Indemnity Loss is the indemnity-related expenses incurred for the benefit of the claimant, or that the carrier is required to produce for the benefit of the claimant:

- Expenses benefiting the claimant
- Claim reserves
- Compensation benefits
- Employers liability losses and employer liability Allocated Loss Adjustment Expense (ALAE)

Stat Plan Part 4-C

- Claimant attorney fees
- Awards
- Penalties for delays in compensation payments (beyond carrier's control)

Vocational Rehab (Return-to-Work) Expenses

- Testing
- Job placement
- Schooling
- Evaluation

Medical Loss

The medical portion of a claim includes:

- Expenses benefiting the claimant
- Claim reserves
- Doctor and hospital payments
- Impartial examinations
- Other medical items
- Bonuses or return-to-work incentives

Physical Rehab Expenses

- Medical activities to achieve maximum medical recovery
- Provided by medically trained personnel
- Evaluations, therapies, consultations, and coordination of services

Expenses Excluded from Indemnity or Medical Losses

Medical or legal expenses incurred for the benefit of the carrier:

- Allocated Loss Adjustment Expense (ALAE)
- Unallocated Loss Adjustment Expense (ULAE)

ALAE

Allocated Loss Adjustment Expenses (ALAE) are excluded from the loss but are reported separately in the unit reports.

ALAE includes:

- Expenses allocated to a specific claim
- Attorney fees (staff or hired)
- Medical cost containment
- Court expenses, dispute resolution

- Claim expenses required by statute or regulation

ULAE

Unallocated Loss Adjustment Expenses (ULAE) are excluded from losses and is not directly allocated to a claim.

ULAE includes, but not limited to:

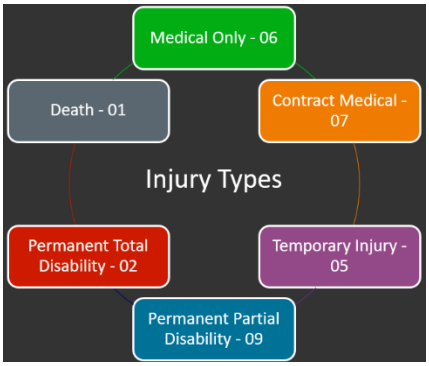
- Carrier employee salaries, overhead, travel
- Fees paid to independent claim services or attorneys (performing claim adjuster duties)
- Penalties for delays in making compensation payments (within the carrier's control)

Stat Plan Part 4-D-2

Chapter 2: Claim Injury Fields

Injury Types

- Carrier's estimate of the ultimate injury type of the claim
- Jurisdictional law
- Determined as of each valuation date
- Loss development
- Does not have to correspond to the type of benefit being paid as of the valuation date



Injury Type Code Validation Edits

Validation Edit Number	Description
L203	Claim is reported as death claim at one report level and as non-death claim at a subsequent report level
L202	Death claim is reported with vocational rehabilitation at one or more report levels
L201	Death claim is reported with low incurred indemnity at the 1st and/or subsequent report levels
L242	Medical-only claims display high incurred amounts at the 1st and/or subsequent report levels
L301	Frequency of fatal and/or permanent total claims appears suspect
L302	Claims are reported with a permanent total injury type and low incurred indemnity
L303	Claims are reported with a permanent total injury type but have suspect incurred amounts and/or medical amount
L304	Claims have been reassigned between permanent total and temporary total or permanent partial with suspect indemnity development
L306	A claim review across multiple report levels is required for suspect indemnity development and injury type coding from permanent partial to temporary total disability

Injury Type Code Standard Edits

Standard Edit Number	Description
0101-03	Data is invalid based on the exposure state for the accident date
0101-04	Medical only claim cannot have indemnity losses
0101-06	Indemnity claim reported without incurred indemnity amount

Injury Description Code

The Injury Description consists of three elements.

- **Part of Body—I**dentifies the specific body part affected by the injury that is the most significant contributor to the expected overall cost of the claim
- **Nature of Injury—**Identifies the type of injury for a given claim
- **Cause of Injury—**Identifies the cause of the injury for a given claim

Note: The Part of Body Code may change from one report level to the next. Changes to Part of Body Code are considered loss development and are reported on a going-forward basis (exceptions may apply).

Part of Body Code 65

When the specific body part affected by the injury cannot be determined at the 1st unit report, report Part of Body Code 65 (Insufficient Information to Properly Identify—Unclassified).

Once the specific Part of Body Code is determined, submit correction reports with the appropriate Part of Body Code for all applicable unit report levels.

Injury Description Code Validation Edits

Validation Edit Number	Description
L802	Claims reported with injury descriptions with unlikely to result in death
L803	Part of Body and Nature of Injury code combinations appear invalid
L804	Part of body coding is inconsistent across report levels

Injury Description Code Standard Edit Examples

Data Grade 5

Report Level	Part of Body	Nature of Injury	Cause of Injury	Edit
1	42	52	56	0098-06
2	65	52	56	0098-05

Data Grade 4

Report Level	Part of Body	Nature of Injury	Cause of Injury	Edit
1	65	52	56	0098-08
2	65	52	56	0098-07

Chapter 3: Catastrophe Claims

Catastrophe claims occur when a single accident results in multiple claims.

There are two types of catastrophe claims.

Type	Description	Applicable Codes
Nonextraordinary	One employer with one accident involving two or more reportable claims, per state, per policy	Catastrophe Codes 01 to 10
Extraordinary	Significant loss event involving multiple employers with reportable claims	Catastrophe Codes 11 to 99

COVID-19 Claims

Catastrophe coding may apply to COVID-19 claims depending on the Accident Date of the claim.

This chart shows the proper reporting for COVID-19 claims.

Codes	Accident Dates 12/1/2019–6/30/2023	Accident Dates 7/1/2023 and After
ELE Catastrophe Number	12	No Catastrophe Number
Nature of Injury Code	83–COVID 19	83–COVID 19
Cause of Injury Code	83–Pandemic	83–Pandemic (when pandemic applies)

Notes:

- State exceptions may apply
- At this time, Florida requires the reporting of ELE Catastrophe Number 12, Nature of Injury 83, and Cause of Injury 83

Chapter 4: Additional Loss Reporting Rules

Lump-Sum Claim

A lump sum settlement is an agreement between two parties to settle or close out a claim or part of a claim. With a lump sum, benefits are paid all at once instead of over time. The lump sum amount is at a discounted or commuted rate.

When a claim is settled as a Lump Sum Settlement, report:

- The Lump Sum Indicator with a Y
- The settlement amount allocated between Medical and Indemnity losses based on the settlement agreement
  - Do not simply split the lump sum amount 50/50 between Medical and Indemnity

Single-Claim Reporting

Single claim reporting applies when there is accident with one claimant with losses reportable under different coverages or benefits.

When there is an accident with losses under both Workers Compensation and Employers Liability benefits, report:

- The combined the loss amounts and report as one claim
- The Type of Claim Code as 03 for Workers Compensation and Employers Liability

When an accident has losses under both State and US Longshore and Harbor Workers (USL&HW) Act benefits, report:

- The combined State and Federal loss amounts as one claim
- Loss Condition Act Code as 02 for USL&HW Act

Nonreportable Claims

There are two cases where you do not report a claim:

- A claim closes without any payments, reserves, or allocated loss adjustment expenses (ALAE) as of the 1st Report
  Note: You must report the claim if there are any ALAE, even if the claim has no losses
- A claim has an Accident Date outside the policy period and there is no corresponding exposure
  - This could happen due to an official ruling

Chapter 5: Invalid Subsequent Reports

Valid Subsequent Reports	Invalid Subsequent Reports
Submit subsequent reports for: • Open claims • Reopened claims • Newly arising claims • Closed claims with changes in losses	Do not subsequent reports when: • Claims are closed and there are no changes in losses • Newly arising claim with zero payments, reserves, and ALAE

Note: A claim with only ALAE payments or reserves is reportable.

There is a Reject Edit that will flag a claim that is previously closed and there are no revised loss values.

Code	Description
9900-18	Subsequent Unit report submitted for a Previously Closed Claim without Any Revised Loss Values

Chapter 6: Deductibles

Deductible Programs

- Policy optional feature and share of losses
- State-specific and filed by NCCI or insurer
- Premium credit and/or reduce losses in experience rating calculation
  - Small versus large deductible amounts
  - Gross versus net deductible programs

NCCI's ***Unit Statistical Reporting Guidebook (USRG)*** contains a large section that lists the NCCI's small deductible programs by state, with their amounts, and the associated code values.

*Sample of NCCI small deductible programs from the **USRG**:*

D. NCCI Small Deductible Programs

1. Alabama

Alabama Small Deductible Programs						
	Header Record			Exposure Record	Experience Rating	Loss Record
Effective Date	Type of Deductible (Code)	Type of Plan (Code)	Deductible Amount Per Claim/Accident	Statistical Code	Net or Gross Deductible Program	Deductible Reimbursement Amount
09/01/91	Indemnity and Medical (03)	Per Claim (01)	$100, 200, 300, 400, 500, 1,000, 1,500, 2,000, 2,500	9664	Net	Report as applicable

2. Arizona

Arizona Small Deductible Programs						
	Header Record			Exposure Record	Experience Rating	Loss Record
Effective Date	Type of Deductible (Code)	Type of Plan (Code)	Deductible Amount Per Claim/Accident	Statistical Code	Net or Gross Deductible Program	Deductible Reimbursement Amount
04/01/03	Indemnity and Medical (03)	Per Claim (01)	(Deductible amounts are not specified in Arizona statute)	9664	Gross	Report "0"

Chapter 7: Deductible Reporting

Deductible Reporting Fields

Header Record

Report the following codes:

- Type of Deductible Code—Identifies what losses the program applies to
- Type of Deductible Plan Code—How the program applies to the claims or losses

Depending on the Type of Deductible Plan, report one or more of the following:

- Deductible Percentage
- Deductible Amount Per Claim/Accident
- Deductible Amount Aggregate

Exposure Record

Report the applicable Deductible Premium Credit Statistical Code with the applicable premium:

- 9664—Deductible Reporting—Subject to Experience Modification Factor
- 9663—Deductible Reporting—Not Subject to Experience Modification Factor
- 9657—Deductible Reporting—Not Part of Standard Premium

Loss Record

Report the full amount of the claim on the loss record.

Reporting for the Deductible Reimbursement Amount field depends on the type of program.

- Gross deductible programs—report 0
- Net deductible programs, report the reimbursement amount, subject to the policy deductible amount or any state maximum cap

Chapter 8: Employer Paid Programs

Employer Paid Programs are not deductible programs, but they are reported like deductibles.

Three states offer Employer Paid Programs:

- The Oregon Employer Paid Medical Claims
- The Idaho Compensation Reimbursement Option
- The Missouri Employer Paid Medical Program

For the Oregon and Idaho programs, the insurer pays the entire loss, and the insured reimburses the insurer up to the reimbursement amount defined by the state.

Missouri's program allows the insured to pay for the total medical costs of a claim that do not exceed the upper limit.

Reporting for Employer Paid Programs

Unit Header Record

Field	Idaho	Missouri	Oregon
Type of Deductible	Indemnity and Medical (03)	Medical-Only (01)	Medical-Only (01)
Type of Plan	Per Claim (01)	Per Claim (01)	Per Claim (01)
Deductible Amount per Claim / Accident	Refer to the ***USRG***		

Unit Loss Record

Always report the full value for the Incurred and Paid Amounts.

The Deductible Reimbursement Amount varies depending on the state and claim value.

Claim Value	Idaho	Missouri	Oregon
Less than equal to maximum	Reimbursement amount	Claim value	Reimbursement amount
Greater than maximum	0	0	Maximum
Previously reported and develops above maximum	Correct to 0	Correct to 0	Maximum

Recap

- Properly allocate losses and expenses
- Reporting of loss amounts, injury types, and injury description codes are all relative
- Submit corrections to update Part of Body Code 65
- Report deductible reimbursement amounts for Net Deductible Programs only.