



NCCI'S 2016 DATA EDUCATIONAL PROGRAM

YOUR BLUEPRINT
for data reporting success

Unit Reporting— State Programs and Exceptions

January 26–29, 2016

Palm Beach County Convention Center
West Palm Beach, FL



Unit Reporting State Programs and Exceptions

Presented by:
Richard Saltzman and Bruce Hallman

2016 DATA EDUCATIONAL PROGRAM

YOUR **BLUEPRINT**
for data reporting success

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

Unique State Programs Agenda

Unique Deductible Programs

Employer-Paid/Compensation Reimbursement Programs

State Experience Rating Impact Programs

Texas

Other State Exceptions

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

2



Applying State Exceptions

National Rule

B. Effective Date (Exceptions: TX)

This Plan is applicable to the reporting of statistical data for all policies effective January 1, 1996 and subsequent. This Plan may also apply to policies effective January 1, 1995 at the data providers' option.

Texas State Exceptions

B. Effective Date

This Plan is applicable to the reporting of statistical data for all policies effective January 1, 2015 and subsequent. This Plan is optional for policies effective prior to January 1, 2015.



Unique Deductible Programs

YOUR **BLUEPRINT**
for data reporting success

Unit Statistical Reporting Guidebook

Part 8—Deductible Programs

- A. Small and Large Deductible Programs
- B. Gross and Net Deductible Programs
- C. Statistical Codes
- D. NCCI Small Deductible Programs
- E. Gross Deductible Reporting Example
- F. Net Deductible Reporting Example

Net Deductible Program States

State	Deductible Program	Correction Reports	Reimbursement Cap	Net or Gross
AL	Small	No	None	Net
CO	Small and Large	No (Anticipated)	\$16,000	Net
GA	Small and Large	Yes	\$2,500	Net
IA	Small	No	None	Net
KS	Small and Large	No (Anticipated)	None	Net
ME	Small and Large	No	\$5,000	Net
MO	Small and Large	No	None	Net or Gross
NM	Small	No	None	Net
OK	Small	No	\$1,000	Net
SD	Small	No	None	Net or Gross (Based on PED)

South Dakota Deductible

Five NCCI Small Deductible Programs

Indemnity and Medical	Gross
Two Voluntary—Medical Only	Gross and Net
Two Assigned Risk—Medical Only	Gross and Net

Unique Deductible Rules

Anticipated Reimbursement

- Colorado (Effective 1/1/13)
- Kansas (Effective 1/1/12)

Report Corrections for Reimbursement

- Georgia

States With Reimbursement Caps

Colorado \$16,000	Georgia \$2,500
Maine \$5,000	Oklahoma \$1,000

Colorado Small Deductibles

Colorado Small Deductible Programs		
Effective Date	Header Record	Loss Record
	Deductible Amount Per Claim/Accident	Deductible Reimbursement Amount
01/01/16	\$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500, 16,000	Upper limit of \$16,000
01/01/15–12/31/15	\$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500, 15,500	Upper limit of \$15,500
01/01/14–12/31/14	\$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000, 13,500	Upper limit of \$13,500
07/01/13–12/31/13	\$500, 1,000, 1,500, 2,000, 2,500, 5,000, 10,000	Upper limit of \$10,000
07/01/91–06/30/13	\$500, 1,000, 1,500, 2,000, 2,500, 5,000	Upper limit of \$5,000

Colorado Deductible Program Claim Example

- Colorado Policy with Effective Date 1/1/2015
- Selected \$15,500 deductible
- One claim with total incurred loss = \$20,000
- 1st report valued as of 7/2016

What is reportable in the Deductible Reimbursement Amount field?

Total Incurred Loss \$20,000	Deductible Reimbursement \$15,500
---------------------------------	--------------------------------------



Employer-Paid/Compensation Reimbursement Programs

YOUR **BLUEPRINT**
for data reporting success

Employer-Paid/Reimbursement Programs



Idaho Compensation Reimbursement

- Idaho compensation reimbursement option
 - Carrier pays the claim, and the employer reimburses (Indemnity and/or Medical) up to \$1,000
- As of the 1st report, the claim included \$250 Incurred Indemnity and \$500 Incurred Medical

1st Unit Report		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
\$250	\$500	\$750

Idaho Compensation Reimbursement

As of the 2nd unit report, the claim included \$1,000 Incurred Indemnity and \$2,000 Incurred Medical

2nd Unit Report		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
\$1,000	\$2,000	0

Idaho Compensation Reimbursement

Because the Incurred Loss exceeded the \$1,000 limit, a correction is required to the 1st report

1st Unit Report Correction		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
250	500	0

Missouri Paid Medical Option

- Missouri Paid Medical Option
 - Employer can pay for Medical claims *up to* \$1,000 when lost time is limited to first three days or less of disability
- As of the 1st report, the medical-only claim included \$750 Incurred Medical

1st Unit Report		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
0	\$750	\$750

Missouri Paid Medical Option

As of the 2nd unit report, the medical-only claim included \$2,000 Incurred Medical

2nd Unit Report		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
0	\$2,000	0

Missouri Paid Medical Option

Because the Incurred Loss exceeded the \$1,000 limit, a correction is required to the 1st report

1st Unit Report Correction		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
0	\$750	0

Oregon Employer-Paid Medical

Oregon employers may reimburse carriers for select medical claims

Maximum Medical is determined annually by Oregon WCD (Bulletin 345)

Program changes are based on Accident Date

Accident Dates 1/1/15 and subsequent \$1,900 medical claim maximum

Oregon Employer-Paid Medical

- Medical-Only claim with Accident Date of 6/1/15
- As of the 1st report, the medical-only claim included \$3,200 Incurred Medical

1st Unit Report		
Incurred Indemnity	Incurred Medical	Deductible Reimbursement
0	3,200	1,900



State Experience Rating Impact Programs

YOUR **BLUEPRINT**
for data reporting success

Missouri 50% Rule

If a claim's reserve causes the current experience modification to increase by more than 50%

Paid Indemnity	Paid Medical	Incurred Indemnity	Incurred Medical	Total Incurred Loss
10,000	15,000	55,000	80,000	135,000

The carrier must revise the claim to equal the paid amount using correction reports

Paid Indemnity	Paid Medical	Incurred Indemnity	Incurred Medical	Total Incurred Loss
10,000	15,000	10,000	15,000	25,000

Florida Aggravated Inequity

- 1 • Exp Mod calculated using open claim at 2nd report
- 2 • Claim closes between 2nd and 3rd reports
• Calculate a revised Exp Mod using paid claim amount
- 3 • Difference in two Exp Mods causes standard premium to decrease by 5% or more
- 4 • Correction report to 2nd using paid loss
• Close claim at 3rd report

Florida Aggravated Inequity Example

If a claim meets the requirements for Aggravated Inequity

Paid Indemnity	Paid Medical	Incurred Indemnity	Incurred Medical
5,000	5,000	50,000	50,000

The carrier must revise the claim to equal the paid amount using correction reports

Paid Indemnity	Paid Medical	Incurred Indemnity	Incurred Medical	Correction Type Code
7,000	8,000	7,000	8,000	A

Maine Rule 450

- Excludes claims involving aggravation of prior work-related injuries from experience modifications
- How to report:

Type of Settlement Code	Correction Reports
10 (Aggravation of Prior Work-Related Injuries)	<ul style="list-style-type: none"> • If between 1st and 6th report levels, report corrections adjusting the settlement type code • If 6th report and beyond, report at the next valuation

Oregon Anticipated Subrogation

Oregon State Exception

Subrogation based on Anticipated Recovery

No Correction Reports

Correction Reports for Subrogation and Second Injury Fund Rules

- National Rules
 - Subrogation recovery received prior to the 6th report
 - Second Injury Fund Reimbursement anticipated prior to the 6th report
- Connecticut—Subrogation corrections for all report levels
- Georgia—Subrogation corrections for all report levels
- Louisiana—Subrogation and Second Injury Fund reimbursements corrections for all report levels

Georgia Experience Rating Verification

- Carriers must provide Unit Statistical data to insureds for experience rating purposes
- Submit Unit Statistical data along with GA Form GID-63
- GA Form GID-63 is used to confirm or dispute the accuracy of the Unit Statistical data
- Circular UNITS-GA-2010-01

Georgia Experience Rating Verification

Pre-Reported Data

- Provide loss data to employer prior to unit reporting
- Following employer verification, submit unit report

Post-Reported Data

- Submit unit report to NCCI for the policy
- Provide loss data or unit report to employer
- As needed, submit unit report correction

Georgia Professional Employer Organization (PEO) Arrangement

- Item Filing 01-GA-2015—Professional Employer Organization (PEO) Arrangements
- New and renewal policies effective 1/1/2016 and subsequent
- Established rules for clients that leave the PEO arrangement
 - Separate reporting of client payroll and loss data for experience rating purposes
 - Client data continues to be used in the PEO experience rating modification
- Termination of a Client's Employee Leasing Arrangement (Master Policy)
 - Hard Copy—NC2745
 - Electronic—NCCI is currently working on a standard format

Georgia PEO Data Elements

Header/Policy Information	Exposure Information
Replacement Report Code Policy Number Policy Effective Date Carrier Code Exposure State Name FEIN Insured Address Termination Date	Exposure Act Classification Code Experience Modification Effective Date Rate Effective Date Exposure Amount
Loss Information	
Claim Number Accident Date	

Georgia Work-Based Learning Program

- Effective for Policy Effective Dates 01/01/16
- Administered by Georgia Department of Education
- Hire students and provide new work experiences
- Premium credit from 2% to 5%, depending on the number of students employed
- Maximum credit not to exceed \$2,500
- Statistical Code 9777—Work-Based Learning Program—Not Subject to Experience Rating



Texas

YOUR **BLUEPRINT**
for data reporting success

Adoption of NCCI's Statistical Plan

NCCI's Statistical Plan (URE Format)

- Effective for units with Policy Effective Dates of January 1, 2015, and subsequent
- Optional for prior Policy Effective Dates

National Rule Not Applicable in Texas

- Three-year fixed-rate policies
- Specified coding values (examples)
 - Deductible Type 02 (Indemnity Only)
 - Only MCO Type Codes 00 and 07 apply
- Subrogation 10% rule
- Claimant awards (attorney, witness fees, and court costs)
 - Not included in loss amount
- Penalties for delays in making compensation payments
 - Within or beyond the control of the carrier

Texas Injury Type Codes

Texas Injury Type Codes	
Code	Description
01	Death
02	Lifetime Income
03	Temporary, Impairment, and Supplemental Income
04	Temporary and Impairment Income
05	Temporary Income
06	Medical-Only

Texas Coal Mine Black Lung Disease

- No separation for surface and underground
- Unique classification and statistical codes

Texas Black Lung Disease	
Classification Code	Statistical Code
1165—Coal Mining & Drivers	0156—Black Lung Disease
Any non-coal mining class code	0165—Black Lung Disease

Group Purchase of Workers Compensation

Formation of a group for the benefit of a group purchase program (e.g., construction contractors)

- Policy Type Code—Type of Coverage
 - Group Policy Code 03—Coverage under the Texas WC Group Purchase Program

Professional Employer Organizations (PEOs)

- Professional Employer Organizations rule—Exposure for each client to be reported separately
- Employee Leasing Code E—Report “E” for each PEO client

Premium Incentives for Small Employers

- Carriers must grant a discount to small employers that qualify
 - No more than 15%
 - Statistical Code 9885 (Premium Credit)
- Carriers must assess a surcharge based on loss history
 - No more than 10%
 - Statistical Code 9886 (Premium Debit)

Modeled Rating Factor (MRF)

Modeled Rating Factor applies individual risk characteristics to calculate premium adjustments

- Statistical Code 9147 (Premium Credit)
- Statistical Code 9148 (Premium Debit)

Certified Workers Compensation Healthcare Network

Premium credit for policyholders that elect to participate in the network

- Certified Healthcare Network Policy Indicator—Y
- Statistical Code 9874 (Premium Credit)
- Managed Care Organization (MCO) Code
 - Code 07 (Medical Losses administered by Certified Healthcare Network)

Texas Small Deductible Programs

Effective 6/1/14—Deductible Credit Reported to Statistical Code 9663

Type of Deductible	Type of Plan	Deductible Amount
Indemnity and Medical (03)	Per Accident (02)	\$1,000, \$2,500, \$5,000, \$10,000, \$25,000
Indemnity and Medical (03)	Per Claim (01)	\$1,000, \$2,500, \$5,000, \$10,000, \$25,000
Medical-Only (01)	Per Claim (01)	\$500, \$1,000, \$1,500, \$2,000, \$2,500
Indemnity and Medical (03)	Negotiated (13)	Per Accident Greater Than \$25,000
Indemnity and Medical (03)	Negotiated (13)	Per Claim Greater Than \$25,000
Medical-Only (01)	Negotiated (13)	Per Claim Greater Than \$2,500

Negotiated Experience Modifications

Negotiated experience modifications remain available until June 30, 2018

- Statistical Code 9890 (Premium Credit)
- Discontinued 7/1/2018

Oil, Gas, or Other Minerals Over Water

Exposure and Loss Act codes for oil, gas, or other minerals on or over water

- Exposure Act/Exposure Coverage Codes
 - State Act (Code 05)
 - USL&HW (Code 08)
- Act—Loss Condition Codes
 - State Act (Code 05)
 - USL&HW (Code 08)



Other State Exceptions

YOUR **BLUEPRINT**
for data reporting success

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

Other State Exceptions

- Exposure
 - Penalties for delays in making compensation payments
 - Nevada Payroll Cap/Fraudulent Claims
 - Missouri Risk Modeling/Additional Mesothelioma Benefits
 - Oklahoma Certified Workplace Medical Plan
- Loss
 - Florida Vocational Rehabilitation
 - New Hampshire Lump-Sum Settlements
- Exposure and Loss
 - Virginia/Maryland Excess Benefits
 - West Virginia Deliberate Intent

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

48



Penalties for Delays in Making Compensation Payments

National Rule

- Carrier is liable for penalties for reasons beyond its control
 - Included in indemnity loss
- Carrier is liable for penalties within its control
 - Excluded from indemnity loss

Maine, Florida, and Texas State Exception

- All penalties must be excluded from medical losses, indemnity losses, and ALAE

Nevada

Nevada Payroll Cap

- Maximum amount per employee is \$36,000 per year
- For policies cancelled or issued short-term, the \$36,000 payroll is prorated

Fraudulent Claims

- Further defined to include the ruling of the authorized state workers compensation agency or other authorized adjudicator

Nevada

Payroll Cap

- Maximum per employee is \$36,000 per year
- Annual period starts with the Anniversary Rating Date

Fraudulent Claims

- Also includes the ruling of the authorized state workers compensation agency or other authorized adjudicator

Missouri Risk Modeling Plan

- Policies Effective 1/1/2014
- Carrier Independently Filed Program
- Statistical Codes
 - 9147—Risk Modeling Plan—Premium Credit
 - 9148—Risk Modeling Plan—Premium Debit

Missouri Additional Mesothelioma Benefits

- Policies Effective 1/1/14
- Carrier Independently Filed Programs
- Additional Benefits (premium debits) Statistical Codes:
 - 9723—Independent Carrier Filing (subject to ER)
 - 9724—Independent Carrier Filing (not subject to ER)
 - 9656—Independent Carrier Filing (not part of standard premium)

Oklahoma Certified Workplace Medical Plan

Effective 2/1/14

Non-Experience Rated Employers

10% Premium Reduction

Statistical Code 9756

Florida Vocational Rehabilitation

Reemployment Services and Medical Care Coordination

Indemnity Loss

- First \$2,500 of Reemployment Services expenses
- Medical Care Coordination costs and reemployment services for specific injuries:
 - Traumatic brain
 - Spinal cord
 - Burns (5% or greater of total body)
 - Amputation (including eyes)

ALAE

- Reemployment Services Expenses over \$2,500
- All other Medical Care Coordination costs

New Hampshire Lump-Sum Settlements

- For unit reporting, the lump-sum agreement must be approved by the New Hampshire Department of Labor to be included in the loss
- If a lump sum is reported and not approved, correction reports are required at all report levels

West Virginia Deliberate Intent

- Carrier-Filed Program for Voluntary Market only
- Endorsed to a West Virginia WC/EL policy or provided as an excess policy
 - Policy Type Code—Nonstandard Provisions—05 Excess Policy
- Exposure reported with Statistical Code 9614
 - Exposure Act/Exposure Coverage Code—07 Excess Benefits Coverage

West Virginia Deliberate Intent

- Exposure, rate, and premium reporting based on:
 - Premium based on exposure and rate
 - Other premium basis—Report “1” for the Exposure, “0” for the Rate, and the charged Premium
 - No premium charged—Report “1” for the Exposure, “0” for the Rate, and “0” for the Premium
- Losses reported with Statistical Code 9614
 - Type of Claim—Loss Conditions—05 Excess Benefits



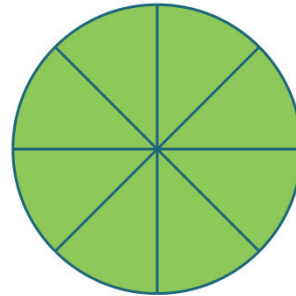
Question & Answer Session

YOUR **BLUEPRINT**
for data reporting success

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

WOBBLY WHEEL GAME



WE SPIN—YOU WIN!

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

60



Wobbly Wheel Game



Must be approved—NH DOL

Statistical Code 9777

\$36,000 Per Employee

Employee Leasing Code—E

Part 8—USRG

Not Applicable in TX

OR WCD—Bulletin 345

Exposure and Losses Reported to Stat Code 9614

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

61



Thank You for Attending

YOUR **BLUEPRINT**
for data reporting success

2016 DATA EDUCATIONAL PROGRAM

© Copyright 2016 National Council on Compensation Insurance, Inc. All Rights Reserved.

Supplemental Information

Presenter Biographies

Richard Saltzman has more than 30 years of experience in the insurance industry, including 20 years of insurance company experience. Richard works in Data Services, and his responsibilities include data reporting compliance projects, industry communications, and NCCI's data reporting manuals.

Bruce Hallman, AIDM, has worked in NCCI's Data Services Department for 19 years. He is a product support manager, subject matter expert, and the data liaison between NCCI and the independent bureaus. Bruce participates in many projects, including enhancements to Unit and Policy edits. He is actively involved in various industry groups, including the Workers Compensation Insurance Organization, Policy Advisory Task Group, and Advisory Statistical Work Group Committees.

Bruce earned the Associate Insurance Data Manager designation from the Insurance Data Management Association (IDMA). Before joining NCCI, he worked for the Pennsylvania Compensation Rating Bureau.