



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Key Takeaways

- Experience Rating adjusts an insured’s premium based on their recent experience.
- Unit data is crucial for experience rating eligibility and calculation.
- Follow special reporting rules for accurate Experience Rating.
- And finally, submit ER Split Data for PEO Client and Ownership changes.

Chapter #1: Overview of Experience Rating

Experience Rating Overview

- NCCI’s Experience Rating Plan
- Comparisons among like employers
- Mandatory for qualifying employers
- Results in an experience rating modification factor
 - Based on past payroll and loss experience
 - Adjusts premium up or down, or stays neutral

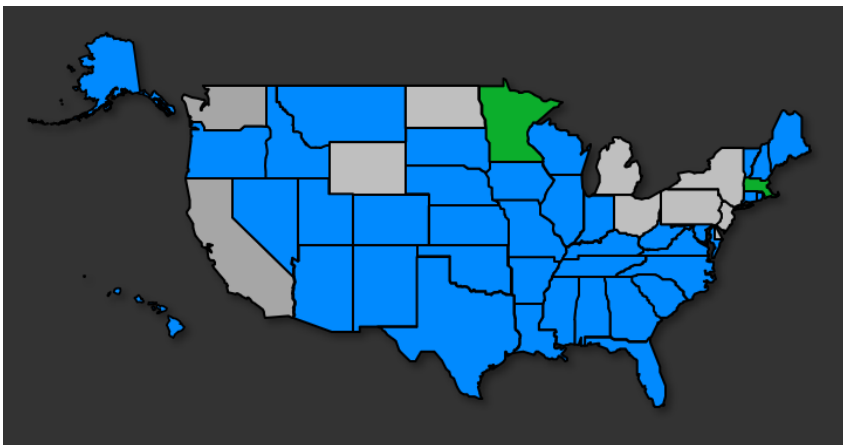
Types of Experience Rating Modification Factors

Modification Factor	When the Mod is...
Credit	Lower than 1.00
Debit	Higher than 1.00
Unity	Calculation results in a 1.00

Types of Experience Ratings

Intrastate mods: employer has exposure in only one state that participates in the Plan

Interstate mods: employer has exposure in two or more states that participate in the Plan



NOTE: The Plan applies to ALL NCCI, and in IN, NC and WI shown in blue.

The states in green, MA and MN, the Plan applies only for interstate experience rating. For rating effective dates of 10/1/2022 and thereafter, experience for NY will only apply to intrastate mods.



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Experience Ratings Field

- NCCI or Independent Bureaus produce an experience modification with a nine digit number Risk ID.
- For intrastate mods, the risk id will begin with the state code for single state employers
 - For example, the state code for Vermont is 44 and a Vermont intrastate mod will begin with 44: i.e. 4412345678.
- For interstate mods, the risk id will begin with a nine to represent multiple states: i.e. 912345678

Experience Rating Worksheet

WORKERS COMPENSATION EXPERIENCE RATING											
		Risk Name: ANY INSURED				Risk ID: 990123456					
Rating Effective Date: 01/01/2023				Production Date: 10/01/2022				State: ANY STATE			
00-ANY STATE			Firm ID:		Firm Name: ANY INSURED						
Carrier: 00000		Policy No. 2021UNIT			Eff Date: 01/01/2021		Exp Date: 01/01/2022				
Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses	
8288	3.79	.32	250,000	9,475	3,032	NO. 14	05	*	28,000	28,000	
8380	.98	.32	3,025,350	29,648	9,487	2100001	05	O	53,256	18,500	
8748	.30	.24	1,645,650	4,937	1,185	NO. 5	06	*	6,000	6,000	
8810	.10	.36	3,000,000	3,000	1,080	2100002	06	F	17,359	17,359	
Policy Total:			7,921,000	Subject Premium:		82,425	Total Act Inc Losses:		104,615		
Primary Losses			Stabilizing Value			Ratable Excess			Totals		
Actual		(I)	C * (1 - A) + G		(A) * (F)		(J)				
			69,084	153,846		4,866		227,796			
Expected		(E)	C * (1 - A) + G		(A) * (C)		(K)				
			56,211	153,846		17,263		227,320			
		ARAP	FLARAP	SARAP	MAARAP	Exp Mod					
Factors		1.00				(J) / (K)		1.00			

- Green highlights are data used from reported units for class codes, payroll, claim, losses and subject premium
- Orange highlights are the risk id, rating effective date and calculated modification factor



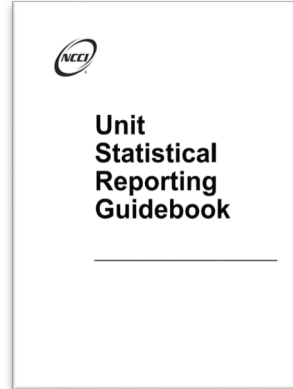
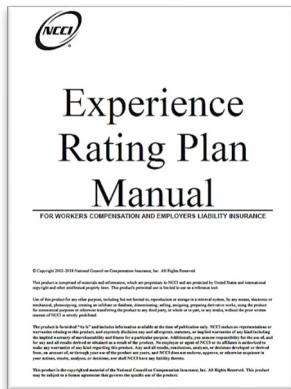
Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Reporting of Experience Rating Factor

- **Header Record**
 - Interstate Rated Policy Indicator
 - Risk ID
- **Exposure Record**
 - Modification Effective Date = Rating Effective Date
 - Experience Modification Factor
 - Rated risks—report mod factor or unity mod
 - Nonrated risks—report all zeros

Y = Interstate Rated
N = Not Interstate Rated

Experience Rating Resources



Experience Rating Plan Manual contains the rules that govern the operation and administration of the Experience Rating Plan.

Statistical Plan provides the rules for reporting Unit Statistical data for all NCCI states.

The Unit Statistical Reporting Guidebook includes additional instructions and examples for reporting data that supplements the Statistical Plan.



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Chapter 2: Data Used in Experience Rating

Subject Premium

- Used for eligibility
- Subject to Experience Rating
 - Class Code Premium
 - Statistical Code Premium—Subject to Experience Rating
 - TX exception (Class Code Premium Only)
- Premium that is “Not Subject to Experience Rating” and “Not Part of Standard Premium” are not used to determine premium eligibility
- Excludes data with Data Grade 5 (critical priority) and Data Grade 9 (reject) edits

Statistical Plan—2008 Edition						
Part 6—Coding Values						
E. Statistical Codes						
Effective 01 Jan 2019 12:00:01						View Previous Updates ▾
Statistical codes are grouped in three separate tables, based on how the amount associated with the statistical code applies to the premium.						
<ul style="list-style-type: none"> • Premium Amount <i>Subject</i> to Experience Rating • Premium Amount <i>Not Subject</i> to Experience Rating • Premium Amount <i>Not Part</i> of Standard Premium 						
1. Premium Amount <i>Subject</i> to Experience Rating						
Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date	Notes (If Applicable)
Additional Medical Coverage Flat Charge	0068	Debit (+)	AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV	12/01/1943	01/01/1990	
Aircraft Operation (Passenger Seat Surcharge)	0088	Debit (+)	TX, VA	06/01/1947	12/31/2014	Refer to Part 3, Item 3-F-2-b—Aircraft Operation—Passenger Seat Surcharge. This statistical code requires the reporting of premium and any corresponding losses.
Deductible Reporting (Subject to Experience Rating)	9664	Credit (-)	AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, OR, RI, SC, SD, UT, VT	01/01/1996		Applies to NCCI-filed and insurer-filed deductible programs.
Deductible Reporting (Subject to Experience Rating)	9664	Credit (-)	FL	01/01/1996		Applies to NCCI-filed and insurer-filed deductible programs. Insurer independent deductible programs must be filed with the state insurance department and approved as required on or before the date that the insurer uses it.

Payroll and Losses

- Generally, the latest available three years of data that fits in a risk’s experience period
 - Actual payroll
 - Incurred medical and indemnity losses
- Experience period
 - Based on Rating Effective Date
 - Contains no more than 45 months of data



Data Reporting Requirements for Experience Rating

Payroll and losses

- Subject to experience rating
- 1st through 3rd reports only
- Latest values, including corrections at each report level

1/1/2021 Rating	
1/1/2019 – 1/1/2020	→ 1st Report Level
1/1/2018 – 1/1/2019	→ 1st and 2nd Report Level
1/1/2017 – 1/1/2018	→ 1 st , 2nd, and 3rd Report Level

Knowledge Check—True or False

- NCCI uses 1st through 3rd reports in the calculation of experience ratings? [_____]

Chapter 3: Data Limited in Experience Rating

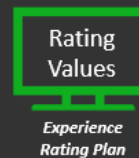
Medical Only Claims

- Experience rating adjustment that reduces medical incurred amounts by 70%
- Injury Type 6 — Medical Only

Claim limitations

Losses are limited by the following accident limitations which vary by state:

- Per Claim (State and USL&HW)
- Multiple Claim (State and USL&HW)
- Employers Liability
- Disease Loss



(a) G	11.30
(b) State Per Claim Accident Limitation	\$282,500
(c) State Multiple Claim Accident Limitation	\$565,000
(d) USL&HW Per Claim Accident Limitation	\$625,500
(e) USL&HW Multiple Claim Accident Limitation	\$1,251,000
(f) Employers Liability Accident Limitation	\$55,000
(g) Primary/Excess Loss Split Point	\$18,500
(h) USL&HW Act – Expected Loss Factor – Non-F Classes	1.25
<i>(Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.25.)</i>	

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11/21



Data Reporting Requirements for Experience Rating

Per-Claim Limitations

- State benefit claims
- USL&HW benefit claims
- Exposure Act and Loss Condition Act
 - Code 01 (State Act)
 - Code 02 (USL&HW Act for F and non-F Class Codes)
 - Texas Oil, Gas, or Other Mineral Operations On or Over Water—Codes 05 and 08

Multiple Claim Accident Limitations

- State Multiple Claims
- USL&HW Multiple Claims

(a) G	11.30
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Multiple Claim Accident

- One employer
- One accident involving two or more reportable claims, per state, per policy
- Catastrophe Claims (Nonextraordinary Loss)
- Catastrophe Numbers 01 to 10
- Subject to loss limitation rules
- Assigned by the data provider for two or more reportable claims

Employers Liability and Disease Limitations

Employers Liability Claims
Type of Claim: Code 02 (Employers Liability Only) Code 04 (Liability Over)

Occupational Disease Claims
Type of Loss: Code 02 (Occupational Disease)



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Chapter 4: Special Reporting Rules for Experience Rating

Deductible Programs

- Reimbursement up to deductible Amount
- Varies by state
- Net deductible programs
 - Gross value of losses is reduced by the deductible reimbursement amount



Net Deductible Programs

- Gross value of incurred losses are reported
- Reimbursement amount is reported, and subject to
 - Deductible Amount Per Claim/Accident
 - Deductible Amount Aggregate
 - Any state maximum cap
- Experience rating calculation uses the reimbursement amount to reduce gross value

What is a Wrap-Up Policy?

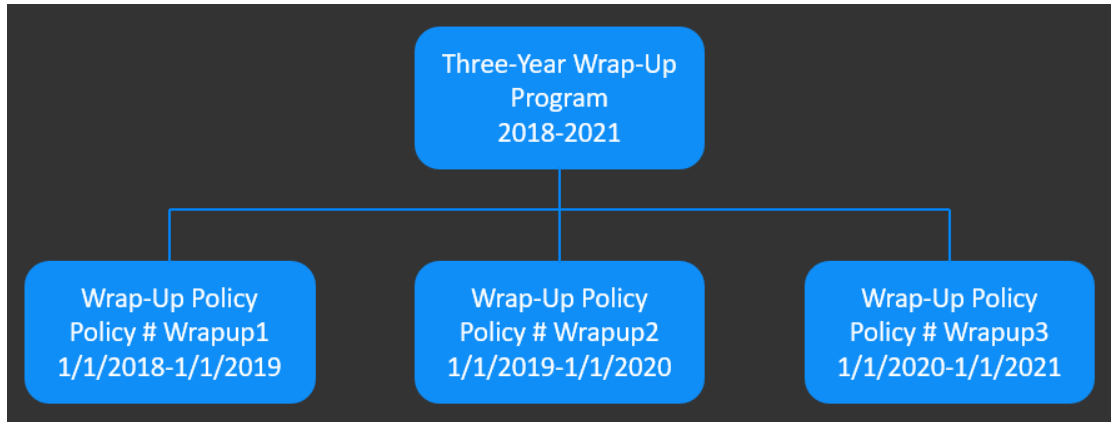
A Wrap-up policy is typically issued to general contractors, owners, or principles of a large construction project that covers the workers of subcontractors at a specific job site.

A wrap-up policy is also referred to as Owners Controlled Insurance Policy or Contractors Controlled Insurance Policy.

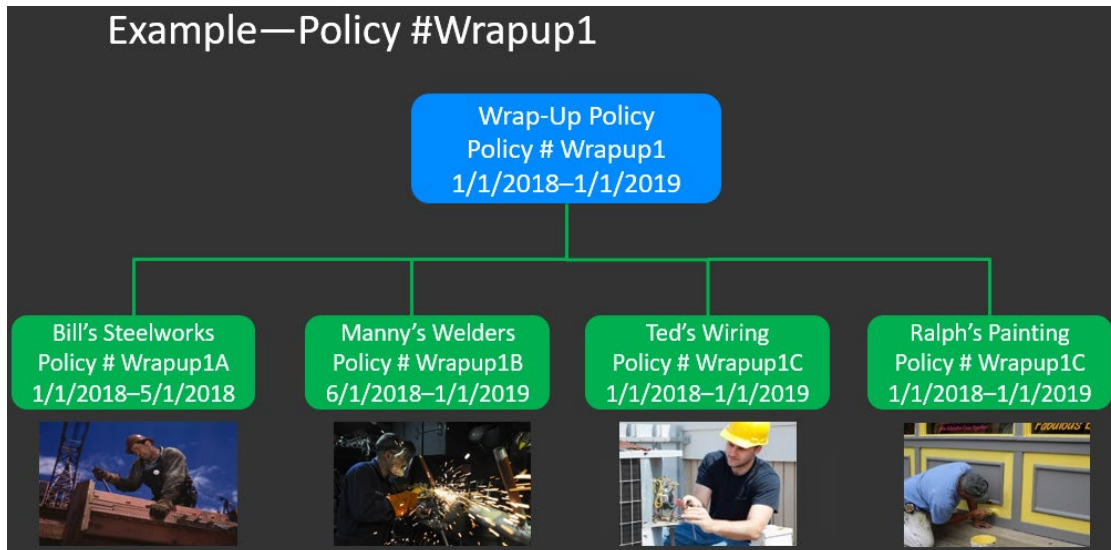


Data Now Program (DNP) Data Reporting Requirements for Experience Rating

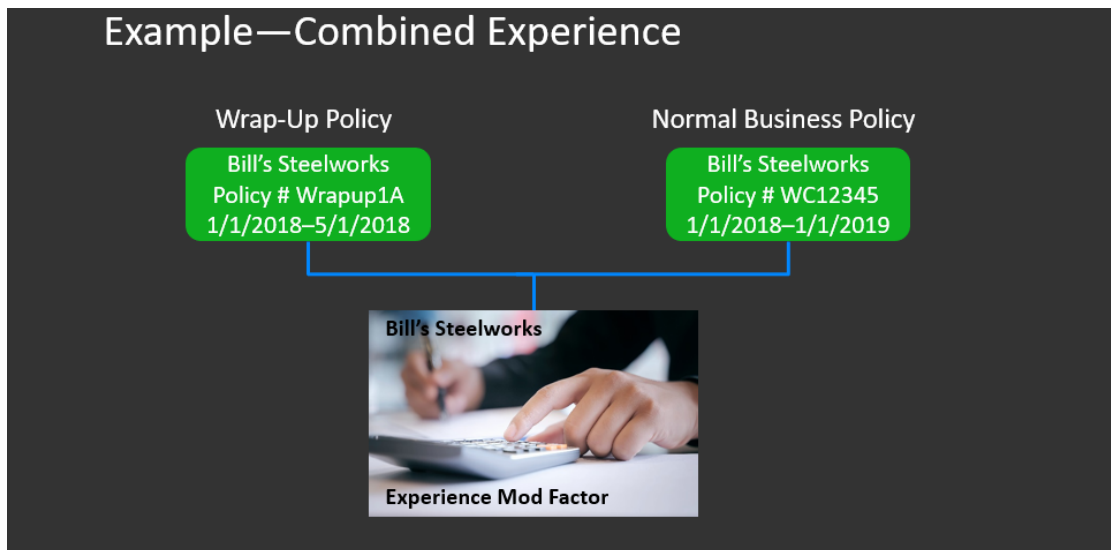
Example of Three Year Wrap-Up Program



Example—Policy #Wrapup1



Example—Combined Experience





Data Now Program (DNP) Data Reporting Requirements for Experience Rating

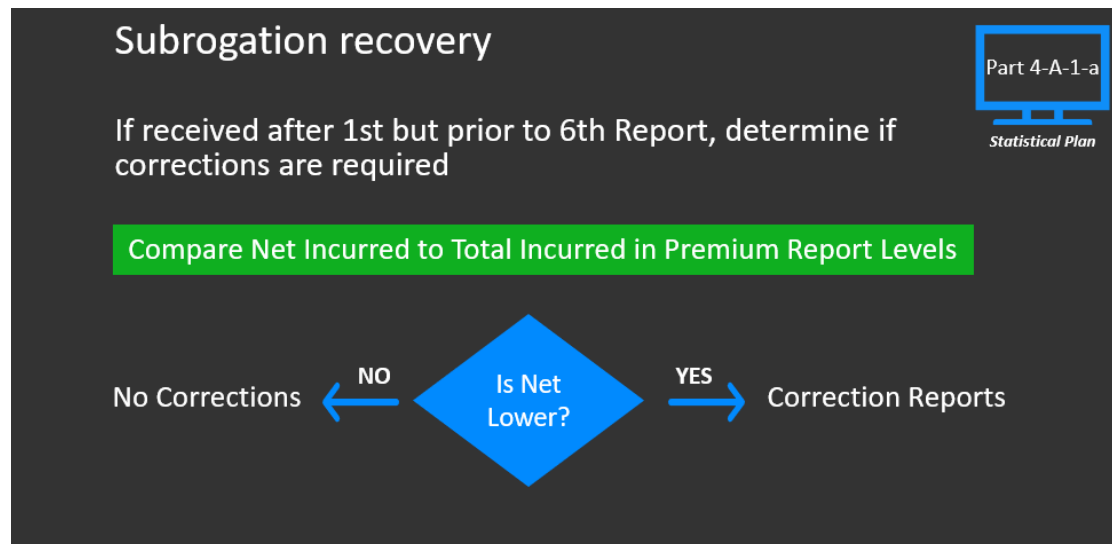
Data Reporting

- Separate unit reports (exposure/losses) by subcontractor
- Separate unit report for general contractor or owner, if applicable
- Deductible program type, if applicable

Knowledge Check—True or False

For wrap-up policies you should report separate units for each subcontractor and the general contractor. [_____]

Subrogation Recovery



Subrogation Recovery—Incorrect Application

The reporting rules for subrogation must only apply based on the definition of subrogation recovery.

- A third party has a legal liability for a claim
- When there are payments that do not qualify as subrogation recoveries, subrogation correction reporting rules must not be applied to reduce the incurred loss

Knowledge Check—True or False

When Subrogation Recovery is received, a correction report is required if the Net Incurred Loss is more than the Total Incurred Loss? [_____]



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Noncompensable Claims

Claims that are reported as noncompensable according to the **Statistical Plan** are excluded from experience rating calculations.

Determined Noncompensable Prior to 1st Report
No claim to report
Determine Noncompensable After 1st But Before 6th Report
Report corrections to applicable units
Do not change loss values
Type of Settlement Code 05 (Noncompensable)
Determined Noncompensable as of 6th Report
Do not report corrections
Type of Settlement Code 05 (Noncompensable)

Fraudulent Claim

Claims that are reported as fraudulent according to the **Statistical Plan** are excluded from experience rating calculations.

Determined Fraudulent Prior to 1st Report
No claim to report
Determine Fraudulent After 1st But Before 6th Report
Report corrections to applicable units
Do not change loss values
Fraudulent Claim Code 02 (Fully Fraudulent)
Determined Fraudulent as of 6th Report
Do not report corrections
Fraudulent Claim Code 02 (Fully Fraudulent)



Data Now Program (DNP) Data Reporting Requirements for Experience Rating


Knowledge Check

For fully noncompensable claims and fully fraudulent claims, what code values do you need to report?

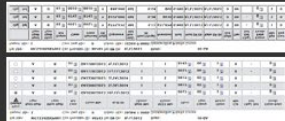
Chapter 5: Experience Rating (ER) Split Data

ER Split Data

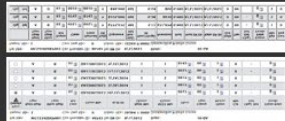
- Former PEO Clients and Ownership Changes
- Individual Exposure and Claim Information
- Subset of Unit Statistical Data Reported




PEO Master Policy
With Clients




Combined Owners
Majority Ownership



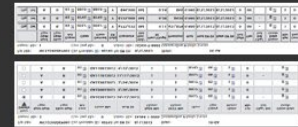
Combined Unit Report



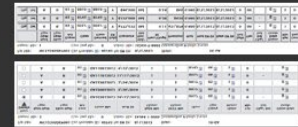
Combined
Experience Rating



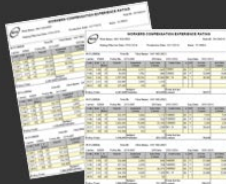
Client Terminates
Agreement



ERM-14
Owners Separate



ER Split Data



Separated Data for
Experience Ratings

Example: Client terminated their PEO agreement on 1/1/2021

Policy Effective Date	1st Report Valuation	1st Report Due Date	2nd Report Valuation	2nd Report Due Date	3rd Report Valuation	3rd Report Due Date	4th Report Valuation	4th Report Due Date
1/1/2020–2021	7/2021	9/2021						
1/1/2019–2020	7/2020	9/2020	7/2021	9/2021				
1/1/2018–2019	7/2019	9/2019	7/2020	9/2020	7/2021	9/2021		
1/1/2017–2018	7/2018	9/2018	7/2019	9/2019	7/2020	9/2020	7/2021	9/2021

Client terminated on 1/1/2021.




Data Now Program (DNP) Data Reporting Requirements for Experience Rating

ER Split Data Reporting Guide

ER Split Data Reporting Guide

- Electronic Reporting Requirements
- Hard Copy Reporting Requirements



Submission Methods

- Electronic Files
 - NCCI-defined record layout
 - ER Split Data Reporting Template
 - Manual Entry
 - **Data Transfer via the Internet (DTVI)**
- Hard Copy

ER Split Data Reporting Template (Excel) Location

Experience Rating (ER) Split Data Reporting Template

Posted Date: August 12, 2021

Benefit from using the ER Split Data reporting template for submitting data for former professional employer organization (PEO) clients or ownership changes.

The template provides a convenient way for you to enter the audited exposure and loss information for these types of employers and then have an electronic file automatically created for submission to NCCI using **Data Transfer via the Internet**.

[Download the ER Split Data Reporting Template \(Excel\).](#)

Keep these points in mind when using the template:

- State applicability and required data elements are defined in Part 2-B—Applicable States of the *Experience Rating (ER) Split Data Reporting Guide*.
- The first tab is for data input, and the second tab is the User's Guide with entry instructions.
- Each file you create can contain up to 10 separate ER Split Data reports. Each report can contain up to 1,000 rows for exposure and loss data.
- The created file includes the record layouts as defined in the *Experience Rating (ER) Split Data Reporting Guide*.
- Before initial submission, you must be granted access to submit ER Split Data files. Contact NCCI's Customer Service Department for additional information.

Report ER Split Data when:

- A client leaves a PEO arrangement covered under a master policy and the PEO's data provider reports to NCCI the client's data that was developed during the employee leasing arrangement
- A client is covered in Nevada under a PEO master policy, and the PEO's data provider reports the client's data following the reporting of the Unit Statistical data for the PEO's policy
- Changes in ownership interest affect the use of an entity's experience in future experience rating modification, and NCCI requests individual exposure and claim data from the data provider

For more information, contact our Customer Service Center at 800-NCCI-123 (800-622-4123).



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Snapshot of Template

- Up to 10 separate reports
- 1,000 rows per report

User's Guide located in second tab provides entry instructions for spreadsheet.

Link Data

- Carrier Code
- Policy Number Identifier
- Policy Effective Date
- Exposure State Code
- Replacement Report Code
- Federal Employer Identification Number (FEIN)
- Transaction Code
 - PEO Client Information (Code 01)
 - Separate Ownership Information (Code 02)

1. Link Data				
Field No.	Bytes	Position	Class	Data Element
1	5	1-5	N	Carrier Code
2	18	6-23	AN	Policy Number Identifier
3	8	24-31	N	Policy Effective Date (CCYYMMDD)
4	2	32-33	N	Exposure State Code
5	9	34-42	N	Federal Employer Identification Number (FEIN)
6	2	43-44	N	Transaction Code
7	1	45-45	AN	Replacement Report Code
8	15	46-60	-	Reserved for Future Use



Data Now Program (DNP) Data Reporting Requirements for Experience Rating

Header, Name, Address Records

2. Header Record				
Field No.	Bytes	Position	Class	Data Element
1	60	1-60	-	Link Data
2	1	61-61	N	Record Type Code
3	8	62-69	N	Client Termination Date (CCYYMMDD)
4	8	70-77	N	Ownership Change Date (CCYYMMDD)
5	123	78-200	-	Reserved for Future Use

3. Name Record				
Field No.	Bytes	Position	Class	Data Element
1	60	1-60	-	Link Data
2	1	61-61	N	Record Type Code
3	79	62-140	AN	Name of Insured
4	60	141-200	-	Reserved for Future Use

4. Address Record				
Field No.	Bytes	Position	Class	Data Element
1	60	1-60	-	Link Data
2	1	61-61	N	Record Type Code
3	60	62-121	AN	Address—Street
4	30	122-151	AN	Address—City
5	2	152-153	A	Address—State
6	9	154-162	AN	Address—Zip Code
7	38	163-200	-	Reserved for Future Use

Exposure Record

5. Exposure Record				
Field No.	Bytes	Position	Class	Data Element
1	60	1-60	-	Link Data
2	1	61-61	N	Record Type Code
3	2	62-63	N	Exposure Act/Exposure Coverage Code
4	4	64-67	N	Classification Code
5	8	68-75	N	Experience Modification Effective Date (CCYYMMDD)
6	8	76-83	N	Rate Effective Date (CCYYMMDD)
7	10	84-93	N	Exposure Amount For Payroll Exposure, report the exposure amount for each classification assigned to the policy rounding to the nearest whole dollar amount. For Non-Payroll Exposure, report exposure amounts to the nearest tenth of a unit, omitting the decimal point. For non-payroll exposure amounts, there is an assumed decimal point between positions 92 and 93.
8	7	94-100	N	Manual/Charged Rate There is an assumed decimal point between positions 97 and 98. Note: This field is required for MA, NC, NY, and TX. All other states must be zero-filled.
9	100	101-200	-	Reserved for Future Use

Exposure record data elements MUST match the corresponding unit statistical data.

- Exposure Act/Exposure Coverage Code
- Classification Code
- Experience Modification Effective Date
- Rate Effective Date



Data Now Program (DNP)

Data Reporting Requirements for Experience Rating

- Manual/Charge Rate
- Exposure Amount (**NOTE:** the exposure amount reported is for the client’s individual exposure information needed for experience rating purposes. The amount must be equal to or less than the amount reported on the Unit report.)

Loss Record

6. Loss Record				
Field No.	Bytes	Position	Class	Data Element
1	60	1-60	-	Link Data
2	1	61-61	N	Record Type Code
3	12	62-73	AN	Claim Number Note: If the claim number is less than 12 positions, the number must be right-justified and with leading blanks.
4	8	74-81	N	Accident Date (CCYYMMDD)
5	2	82-83	N	Type of Claim Code Note: This field is required for MD, TX, and VA. All other states must be zero-filled.
6	117	84-200	-	Reserved for Future Use

These fields must exactly match with the corresponding claim record from the unit report. Only report the client’s individual loss information needed for experience rating purposes

- Claim Number
- Accident Date
- Type of Claim Code