



Data Now Program (DNP) Deductible Data Reporting

Key Takeaways

- For Policy Data, report the
 - Deductible Endorsement Record
 - Applicable fields on the Exposure Record, including the Statistical Code and associated deductible credit
- For Unit Statistical Data, report
 - **Gross** incurred losses
 - Deductible reimbursement if required
- For Financial data, keep track of exclusions and inclusions
- Employers Paid Programs use deductible fields

Chapter 1: Overview

What is a deductible program?

- It is an optional feature of the policy
- The insured agrees to pay or is responsible for a portion of the loss

Deductible Process

When a claim happens,

1. The insurer pays the entire loss
2. The insured reimburses the insurer up to the deductible amount



Features of Deductibles

- State-Specific—programs and amounts vary by state
- Filed by NCCI or insurer



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Program Incentives

When an insured opts for a deductible on their policy, they may choose one of these incentives:

- Premium Credit
- Reduction in losses for Experience Rating

Small vs. Large Deductibles

- Large Deductible is defined by NCCI as \$100,000 or more, mostly for Financial Call reporting, and the exclusion of large deductible experience in Financial Calls.
- Small Deductible programs may be NCCI-filed or insurer-filed.
- All large deductible programs are only insurer-filed.

Gross vs. Net Deductibles

- Deductible programs are gross or net
- Gross programs are the full value of the loss is used in the calculation of experience ratings
- Net programs are full value of the loss is reduced by the deductible reimbursement amount for calculation of the experience ratings

Example

- Incurred Loss = \$10,000
- Deductible = \$1,000

Amount Used for Experience Rating

Gross	Net
\$10,000	\$9,000

State Reporting

- Deductibles are state-specific.
- NCCI's Unit Statistical Reporting Guidebook lists NCCI filed small deductible programs by state.

D. NCCI Small Deductible Programs						
1. Alabama						
Alabama Small Deductible Programs						
Effective Date	Header Record			Exposure Record	Experience Rating	Loss Record
	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						
Effective Date	Header Record			Exposure Record	Experience Rating	Loss Record
	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"



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Type of Deductible

- The Type of Deductible Code identifies what losses the program applies to.
- Options are:
 - Medical losses only
 - Indemnity losses only
 - Medical and Indemnity losses
 - No deductible
- Also known as Losses Subject to Deductible Code.

Type of Deductible Plan Code

- The Type of Deductible Plan Code describes how the program applies to the claims or losses.
- Varying types
 - Per Claim
 - Per Accident
 - Percentage
 - Aggregate
 - Coinsurance

Review Questions

Answer True or False for each question.

1. With deductibles, the insured takes responsibility for a portion of a claim's losses. TRUE or FALSE
2. Large deductibles are generally \$50,000 or more. TRUE or FALSE
3. With a gross deductible program, the full amount of the loss is used for experience rating purposes. TRUE or FALSE
4. Per Claim is a Type of Deductible. TRUE or FALSE



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Chapter 2: Policy Data Reporting

How to report deductibles on Policy Data.

Deductible Endorsement Record (Record Type 43)

When a policy has a deductible, you must report a deductible endorsement record with the Policy data.

- These are some important fields on the record:

Field Title	Class	Position	Note
State Code	N	44–45	
Record Type Code	AN	46–47	Report 43
Endorsement Number	AN	51–58	NCCI filed (WC000603) or Jurisdictionally approved
Carrier Version Identifier	AN	60–70	Carrier-filed version

- You will also report these codes:

Field Title	Class	Position	Note
Losses Subject to Deductible Code	N	71–72	Type of Deductible
Basis of Deductible Calculation Code	N	73–74	Type of Deductible Plan

Losses Subject to Deductible Code Values

Code values for the Losses Subject to Deductible Code

Code	Description
00	No Deductible
01	Medical Losses Only
02	Indemnity Losses Only (N/A in TX)
03	Medical and Indemnity Losses



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Basic of Deductible Calculation Code Values

Code values for the Basis of Deductible Calculation Code

Code	Description
00	No Deductible
01	Per Claim
02	Per Accident
03	Per Policy (Aggregate)
04	Percentage of Claim Cost
05	Percentage of Premium
06	Coinsurance Only
07	Benefit Coinsurance
08	Per Accident Coinsurance
09	Per Policy and Accident (Aggregate)
10	Per Claim and Policy Aggregate
11	Coinsurance Percentage with per Claim and Policy Aggregate Limit
12	Variable
13	Negotiated (TX only)

- Refer to NCCI's *Policy and POC Reporting Guidebook* for detailed values.

Deductible Endorsement Record (Record Type 43)

- Also report any applicable deductible program amounts.
 - One or more than one of these fields can apply depending on the program criteria:

Field Title	Class	Position	Note
Deductible Percentage	N	75–76	
Deductible Amount per Claim/Accident	N	77–85	
Deductible Amount–Aggregate	N	86–94	
Endorsement Effective Date	N	289–294	YYMMDD

Exposure Record (Record Type 05)

If the insured receives a premium credit as an incentive, report the applicable Statistical Code on the Exposure Record in the Classification Code field.

Field Title	Class	Position	Note
Classification Code	N	51–54	Use applicable Statistical Code



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Premium Credit Statistical Codes

Use one of these stat codes displayed here, based on where the corresponding premium is located in the calculation of policy premium:

Statistical Code	Phraseology
9664	Deductible Reporting (Subject to Experience Rating)
9663	Deductible Reporting (Not Subject to Experience Rating)
9657	Deductible Reporting (Not Part of Standard Premium)

- The deductible premium codes apply to NCCI filed programs and insurer filed programs.
- Find the list of applicable coding values in NCCI’s *Statistical Plan*.

Exercise—Policy Data Reporting

Use the reporting rules we just discussed to determine what values to report on the Deductible Endorsement Record. Fill in the correct code values for the listed data elements.

Scenario:

- \$1,000 per accident deductible for Medical and Indemnity Losses with premium credit subject to experience rating. Endorsed policy with NCCI’s countrywide deductible endorsement.

Data Element Name	Reported Value
Record Type Code	
Endorsement Number	
Losses Subject to Deductible Code	
Basis of Deductible Calculation Code	
Deductible Amount per _____	
Classification Code	



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Chapter 3: Unit Statistical Data Reporting

How to report deductibles on Unit Statistical Data.

Header Record (Record Type 1)

- Report applicable values in these fields.

Example 1:

- Medical and Indemnity
- Per claim basis

Field Title	Class	Position	Reported Values
Type of Deductible Code	N	165–166	03
Type of Deductible Plan Code	N	167–168	01
Deductible Percentage	N	169–180	Zero fill
Deductible Amount per Claim/Accident	N	171–179	\$\$\$\$
Deductible Amount Aggregate	N	180–188	Zero fill

Example 2:

- Medical and Indemnity
- Per claim basis with policy aggregate limit

Field Title	Class	Position	Reported Values
Type of Deductible Code	N	165–166	03
Type of Deductible Plan Code	N	167–168	10
Deductible Percentage	N	169–180	Zero fill
Deductible Amount per Claim/Accident	N	171–179	\$\$\$\$
Deductible Amount Aggregate	N	180–188	\$\$\$\$

Exposure Record (Record Type 4)

- When the program includes a deductible credit, report the corresponding Statistical Code and premium credit.

Field Title	Class	Position	Note
Classification Code	N	43–46	Use applicable Statistical Code



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Loss Record (Record Type 5)

- Report the full amount of the claim (Incurred and Paid Indemnity and Medical amounts)
- **Important:** Always report the gross value
- Report the deductible reimbursement amount

Field Title	Class	Position	Note
Incurred Indemnity Amount	N	83–91	Report full amount
Incurred Medical Amount	N	92–100	
Paid Indemnity Amount	N	174–182	
Paid Medical Amount	N	183–191	
Deductible Reimbursement Amount	N	210–218	Report when applicable

Deductible Reimbursement Amount

When reporting the deductible reimbursement field, report:

Gross	Net
0	Amount up to deductible amount or state cap



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Exercises—Unit Data Reporting

Which of these three fields need to be reported?

Scenario:

- Per Claim and Policy Aggregate (Code 10)

Field Title	Class	Position	Report?
Deductible Percentage	N	169–180	
Deductible Amount per Claim/Accident	N	171–179	
Deductible Amount Aggregate	N	180–188	

Fill in the values for these three data elements.

Scenario:

- Medical only closed claim with \$10,000 paid loss
- Net deductible program
- Deductible amount of \$1,000 per claim
- Only medical claims

Field Title	Class	Position	Reported Value
Incurred Medical Amount	N	92–100	
Paid Medical Amount	N	183–191	
Deductible Reimbursement Amount	N	210–218	



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Chapter 4: Financial Data Reporting

How to report deductibles on Financial Data Calls.

Large Deductible Reporting

- When to include Large Deductible data

Ratemaking Calls <ul style="list-style-type: none"> • Calls #3, #3A, #5, and #5A • Call #26 Addendums for Calls #3 and #5 • Virginia Calls #32A and #32V 	Exclude
Nonratemaking Calls <ul style="list-style-type: none"> • Calls #1, #1A, #1B, #1C, #1D, #14, and #19 • Call #26 (for Addendum to Call #19 only) 	Include
Large Loss Calls #31 and #33	
Florida Large Deductible Calls #20 and #21	
Call #8 (as a reconciliation item)	

Other Than Large Deductible Reporting

- When to include Other Than Large Deductible data

Ratemaking Calls	Include
Nonratemaking Calls	
Call #8 (as a reconciliation item)	

Large Deductible and Other Than Large Deductible Reporting

Deductible Premium Credits

- When to include deductible premium credits

Component	Net	Company Standard	DSR
Deductible Coverage–Premium Credits	Include	Exclude	Exclude

- For Calls that require Large Deductible data, report premiums on a gross basis, which means prior to the application of deductible credits
- Exceptions reported on a net basis, after the application of deductible credits.
 - Call #8
 - Deductible experience related to Kentucky



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Losses and Expenses

- Report gross of deductible
- Exceptions reported net of deductible reimbursement
 - Calls #19 and #26
 - Deductible experience related to Kentucky

Review Questions

Answer True or False for each question.

1. Only exclude large deductible data from nonratemaking Calls. TRUE or FALSE
2. There is no exclusion of data from policies with other than large deductibles. TRUE or FALSE
3. Only include deductible premium credits in Net Premium. TRUE or FALSE
4. Aside from the exceptions, report losses and expenses net of deductible. TRUE or FALSE



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Chapter 5: Employers Paid Programs

How to report Employers Paid Programs.

Employer Paid Programs

Employers Paid Programs include

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

Process

- Employers Paid Programs are not deductible programs, but they work like deductibles

In Idaho and Oregon,

1. The insurer pays the entire loss
2. The insured reimburses the insurer up to the reimbursement amount defined by the state

In Missouri,

1. The insured may pay for medical only claims that do not exceed the upper limit

Reporting—Unit Header Record (Record Type 1)

- Report Employers Paid Program data on Unit Statistical Reports only
- Use the Unit deductible fields
- Report as per this chart

State	Type of Deductible	Type of Plan	Deductible Amount per Claim/Accident
ID	Indemnity and Medical (03)	Per Claim (01)	Per USRG
MO	Medical-Only (01)	Per Claim (01)	
OR	Medical-Only (01)	Per Claim (01)	

- Refer to NCCI’s **Unit Statistical Reporting Guidebook (USRG)** for the Deductible Amount per Claim/Accident value by state and effective date.



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Reporting—Unit Loss Record (Record Type 5)

Idaho and Oregon

When reporting losses for claims that qualify under the Idaho or Oregon Employers Paid Programs where the insured reimburses the insurer, report these values.

- Report the full amount in the incurred fields
- The Deductible Reimbursement Amount depends on the claim value compared to the maximum reimbursement

When the Claim Value Is	Report	
	Incurred Amount	Deductible Reimbursement Amount
Less than or equal to the maximum	Full value	Reimbursement
Greater than the maximum	Full value	0 (ID) Maximum (OR)
Develops above the maximum	Full value	Correct to 0 (ID) Maximum (OR)

Missouri

When reporting losses for claims that qualify under the Missouri Employer Paid Medical Program, report these values.

- Report the full amount in the incurred fields
- The Deductible Reimbursement Amount depends on the claim value compared to the maximum claim value

When the Claim Value Is	Report	
	Incurred Amount	Deductible Reimbursement Amount
Less than or equal to the maximum	Full value	Claim value
Greater than the maximum	Full value	0
Develops above the maximum	Full value	Correct to 0

Exercise—Employers Paid Program

Enter the amount to report in the Deductible Reimbursement Amount field in each state.

Scenario:

\$3,000 Medical-Only claim in each state

State	Maximum	Reported Value
ID	\$1,000	
MO	\$3,700	
OR	\$2,300	



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Chapter 6: Conclusion

Refer to these NCCI manuals for more details on deductible reporting:

- *Financial Call Reporting Guidebook*
- *Policy and POC Reporting Guidebook*
- *Statistical Plan*
- *Unit Statistical Reporting Guidebook*