



Data Now Program (DNP)
Designated Statistical Reporting (DSR)
Level Premium Series

Chapter 1: Overview

Series Objective

The objective of this series is to help you identify and derive the data required for reporting DSR Level premium.

Key Takeaways

- Purpose of DSR Level Premium
- DSR Premium General Information
- DSR Levels
- Active Deviation History
- Deriving Financial Call Premium

Purpose of DSR Level Premium

What Is DSR Level Premium?

- DSR Level Premium core purpose:
 - The standard earned premium that would result if your business was written at NCCI’s approved loss costs or rates instead of your company’s rates
 - Common benchmark level at which carriers report premium
 - Used to help determine adequacy of current approved loss costs or rate levels

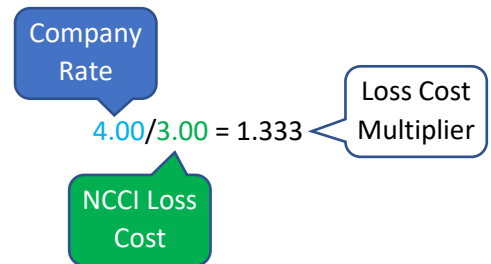
Example of DSR vs. Standard Premium in a Loss Cost State

To calculate DSR Level Premium, exposure is multiplied by the approved NCCI loss cost.

Class Code	Payroll	NCCI Loss Cost	NCCI DSR Level Premium
1234	4,000,000	3.00	$(4,000,000 / 100) \times 3.00 = 120,000$

To calculate Company Standard Premium, exposure is multiplied by the company rate.

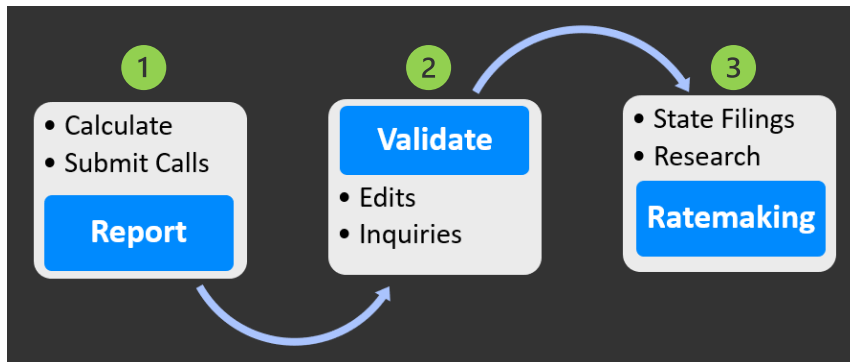
Class Code	Payroll	Company Rate	Company Standard Premium
1234	4,000,000	4.00	$(4,000,000 / 100) \times 4.00 = 160,000$





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DSR Premium Process



Data ready for use by our actuarial team to produce state loss cost and rate filings, as well as other research and information for the workers compensation industry

DSR Premium General Information

Resources on ncci.com

- **Financial Call Reporting Guidebook**
 - #1 Go-to resource for all things Financial data, including DSR
- **Basic Manual**
 - Premium elements that are filed by NCCI
 - State-specific premium algorithms
- Financial Data Compliance Form
 - Checklist for common data component reporting
- NCCI Circulars
 - Announces important information about reporting requirements or system changes
- Assigned Financial Data Validator
 - Answer your questions and assist with everything Financial Call related

Premium Components Summary Chart

Financial Call Reporting Guidebook

Part 5—Financial Call Components



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Part 5—Financial Call Components

Premium Components Summary Chart						
Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs		
		Company Standard	DSR	Company Standard	DSR	
1 Assigned Risk Adjustment Program (ARAP)	X	X	X			
2 Balance to Minimum Premium Adjustment	X	X	X	X		
3 Catastrophe and Terrorism Provisions (e.g., DTEC, TRIA, TRIEA, TRIPRA)	Do Not Report					
4 Company Loss Constant	X	X		X		
5 Consent to Rate	X	X		X		
6 Contracting Classification Premium Adjustment Program (CCPAP)	X	X	X	X	X	
7 Deductible Coverage—Premium Credits	X					

Class Resources

- DSR Levels Exercises Module 2 Exercise 1
- DSR Active Deviation Module 3 Exercise 2
- DSR Deriving Financial Call Premiums Module 4 Exercises 3 & 4 and Supplement
- DSR Avg. Deviation Method Module 5 Exercise 1
- DSR Avg. Deviation Method Module 5 Exercise 2
- DSR Avg. Deviation Method Module 5 Exercise 3
- DSR Extending Exposures/Hybrid Module 6 Exercise 1 and Supplements
- DSR Extending Exposures/Hybrid Module 6 Exercise 2

Complete chart available in Class Resources

Note: An “X” denotes that the component is included in the column. Shaded cells reflect that the component is either not applicable in that rating environment or not applicable to that premium level.

Sample Premium Algorithm

PREMIUM ELEMENTS	EXPLANATORY NOTES
MANUAL PREMIUM	[(PAYROLL / 100) * RATE]
+ Supplementary Disease (foundry, abrasive, sandblasting)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]
+ USL&H Exposure for non-F classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]
TOTAL MANUAL PREMIUM	
+ Waiver of Subrogation factor ¹	% applied to the portion of Total Manual Premium where waiver is applicable, subject to minimum charge
+ Employers Liability (E/L) increased limits factor	% applied to Total Manual Premium
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+ Employers Liability increased limits factor (Admiralty, FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applied]
+ Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]
- Small Deductible credit	% applied to Total Manual Premium
SUBJECT PREMIUM	
x Drug-Free Workplace Premium Credit factor (1 — DFW Credit %)	
TOTAL SUBJECT PREMIUM	
x Experience Modification (Exp Mod)	
TOTAL MODIFIED PREMIUM	
x Merit Rating factor (1 — MR credit %) or (1 + MR debit %)	[Non-rated risks]
x Schedule Rating factor (1 — SR credit %) or (1 + SR debit %)	
+ Supplemental Disease Exposure (Asbestos, ² NOCS)	
+ Atomic Energy Radiation Exposure ³	

Excerpt from the *Basic Manual*

Class Resources

- DSR Levels Exercises Module 2 Exercise 1
- DSR Active Deviation Module 3 Exercise 2
- DSR Deriving Financial Call Premiums Module 4 Exercises 3 & 4 and Supplement
- DSR Avg. Deviation Method Module 5 Exercise 1
- DSR Avg. Deviation Method Module 5 Exercise 2
- DSR Avg. Deviation Method Module 5 Exercise 3
- DSR Extending Exposures/Hybrid Module 6 Exercise 1 and Supplements
- DSR Extending Exposures/Hybrid Module 6 Exercise 2

Sample Premium Algorithm available in Class Resources

Financial Data Compliance Form

Part 1—Self-Audit—Checklist

Section B: Financial Call Components

1. Premiums (unless otherwise noted, for additional details, see Part 5 of the Financial Call Reporting Guidebook)

#	Item	Options	Comments
32	Consent to Rate deviations are included in Company Standard and Net premium but excluded from DSR Level premium.	Confirmed Review	
33	DSR Level premium reflects the approved rates or loss costs designated for each policy year. (Reporting Guidebook, Part 7, E.)	Confirmed Review	

Part 2—Self-Audit—Additional Details

Please provide a brief description in response to the following three items.

1. Provide a brief description of the method used to determine premium at the Designated Statistical Reporting Level as reported in Column 1 of Call #3. (For details, refer to Part 7 of the Financial Call Reporting Guidebook.)	We use the method of calculating the average deviation as described in Part 7 of the Guidebook.
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Note: The Financial Data Compliance Form is not a complete list of all reporting requirements.

- Directly relates to premium and other components completed in *FDC*
- Cross check as you prepare financial calls
- Answering these questions ensures you are reporting your data accurately
- Assists NCCI in the validation process
- Does not contain a complete list of all reporting requirements



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Knowledge Check

1. What is the main purpose of DSR Level Premium?

2. What resource contains the state Premium Algorithms?

3. The Financial Data Compliance Form contains questions about the handling of many Financial data components.

True or False?

4. According to the Premium Components Summary Chart, Consent to Rate Premium should be included in DSR for both Loss Cost and Rate states?

Yes or No?

	Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
			Company Standard	DSR	Company Standard	DSR
1	Assigned Risk Adjustment Program (ARAP)	X	X	X		
2	Balance to Minimum Premium Adjustment	X	X	X	X	
3	Catastrophe and Terrorism Provisions (e.g., DTEC, TRIA, TRIEA, TRIPRA)		<i>Do Not Report</i>			
4	Company Loss Constant	X	X		X	
5	Consent to Rate	X	X		X	
6	Contracting Classification Premium Adjustment Program (CCPAP)	X	X	X	X	X
7	Deductible Coverage—Premium Credits	X				



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Chapter 2: Designated Statistical Reporting (DSR) Levels

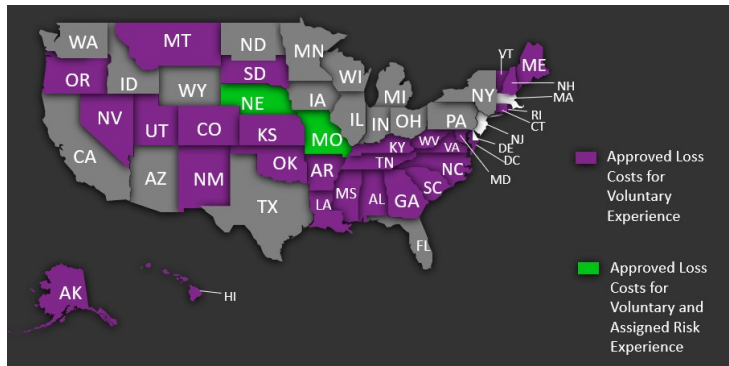
DSR Levels

Questions to Consider

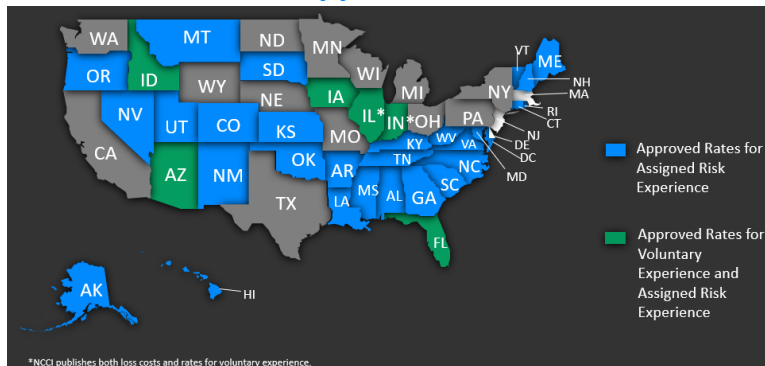
Responses to these questions will affect how you drive the DSR Level Premium:

- What DSR Levels were in effect through the year?
 - There may be more than one set of approved NCCI loss costs or rates for a given policy year
- What loss cost multipliers (LCMs) were in effect through the year by the carrier?
 - Enter LCMs or rate deviations in **FDC**
- What NCCI filed and approved loss costs did you use through the year?
 - Did you adopt the most recently approved on the approval date, or are you using an older set of loss costs?
- New and renewal—Did legislation or a judicial decision also affect outstanding policies?

State DSR Levels—Approved Loss Costs



State DSR Levels—Approved Rates





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State DSR Levels—Texas

- NCCI Filed and Approved Loss Costs
- TDI Rate Relativities
- Starting 7/1/2020—Only NCCI Loss Costs



State DSR Levels

Financial Call Reporting Guidebook—Part 7

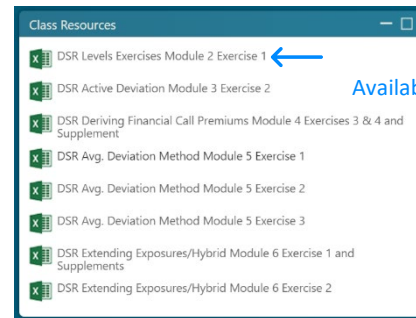
↓ Each column represents a different state

Designated Statistical Reporting Levels—Effective Dates (District of Columbia—Indiana)

Policy Year	District of Columbia	Georgia	Hawaii	Illinois	Indiana
2020	11/1/20 lc	3/1/20 lc	1/1/20 lc	1/1/20 rates ¹	1/1/20 rates ²
2019	11/1/19 lc	7/1/19 lc 3/1/19 lc	1/1/19 lc	1/1/19 rates	1/1/19 rates
2018	11/1/18 lc	3/1/18 lc	1/1/18 lc	6/1/18 rates 1/1/18 rates	1/1/18 rates
2017	11/1/17 lc	3/1/17 lc	1/1/17 lc	1/1/17 rates	1/1/17 rates



Each row is a new set of approved loss costs or rates
Each level stays in effect until the next approval



Available in Resource List

State DSR Levels—Illinois and Indiana

- NCCI publishes both the approved loss costs and rates
- DSR must be reported at rate level on Financial Calls
- If your company uses loss costs instead of rates, convert your LCMs to deviations from rates
 - For Illinois, multiply LCM by the Permissible Loss Rating (PLR)
 - For Indiana, multiply LCM by the Target Cost Ratio (TCR)
- PLR and TCR found in the respective State Filing circulars and Part 7 of the **Financial Call Reporting Guidebook**

Illinois and Indiana Deviation Conversions Practice

IL 2020 PLR = 0.617

LCM 1.650 * PLR 0.617 = Deviation from rates of 1.018

IN 2020 TCR = 0.733

LCM 1.100 * TCR 0.733 = Deviation from rates of 0.806





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Texas DSR Levels

History

Policies Effective	DSR Level
Prior to 6/1/2011	TDI relativities
6/1/2011 through 6/30/2020	TDI relativities or NCCI filed and state approved loss costs
7/1/2020 and subsequent	NCCI loss costs

Policy Year	Texas
2020	7/1/20 lc ¹
2019	7/1/19 lc ¹ 7/1/19 TDI rel ¹
2018	7/1/18 lc ¹ 7/1/18 TDI rel ¹
2017	7/1/17 lc ¹ 7/1/17 TDI rel ¹
2016	7/1/16 lc ¹ 7/1/16 TDI rel ¹
2015	7/1/15 lc ¹ 7/1/15 TDI rel ¹

DSR Level is based on carrier filing, no conversions.

NCCI Filings

Approved loss costs and rates can be found in applicable state approval circulars.

Example: Filing applicable to new and renewal policies.



Circular

National Council on Compensation Insurance		State Relations - Regulatory Services
OCTOBER 15, 2018	LOSS COSTS OR RATE FILING APPROVAL	IL-2018-08
Illinois--Voluntary Market--Approval of Voluntary Advisory Rates, Loss Costs, and Rating Values Effective January 1, 2019		
ACTION NEEDED	Please review this circular, which contains information on accepted voluntary advisory rates, loss costs, and rating values for Illinois. These will become effective January 1, 2019, for new and renewal policies.	

Example: Filing applicable to new, renewal, and all outstanding policies.



Circular

National Council on Compensation Insurance		State Relations - Regulatory Services
OCTOBER 3, 2013	LOSS COSTS OR RATE FILING APPROVAL	OK-2013-03
Oklahoma--Approved Advisory Loss Costs and Rating Values Effective January 1, 2014--File Number NCCI-129178561		
ACTION NEEDED	Please review this circular, which contains information regarding the approved advisory loss costs and rating values for Oklahoma. These will become effective January 1, 2014, for new, renewal, and outstanding policies.	



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Example: Circulars will contain methods for adjusting premium on outstanding policies, if applicable.

This example provides a scaled table in order to calculate premium adjustments needed. For example, a policy effective in June 2013 will have its loss cost premium reduced by 4.3% to 5.4% depending on the day of the month in which it became effective.

Oklahoma

Adjustment to Outstanding Policies In-Force on February 1, 2014¹

Impact of Oklahoma Senate Bill 1062
(Effective February 1, 2014) = -12.9%

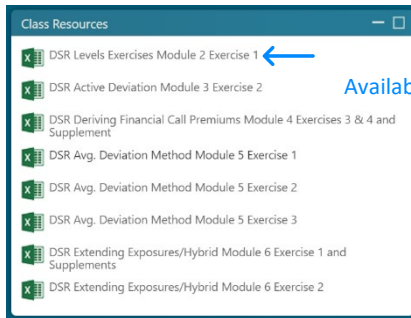
For Policies Effective in	Unexpired Policy Portion as of February 1, 2014	Adjustment to Loss Cost Premium ²
February, 2013	up to 1 month	0.0% - -1.1%
March, 2013	up to 2 months	-1.1% - -2.2%
April, 2013	up to 3 months	-2.2% - -3.2%
May, 2013	up to 4 months	-3.2% - -4.3%
June, 2013	up to 5 months	-4.3% - -5.4%
July, 2013	up to 6 months	-5.4% - -6.5%
August, 2013	up to 7 months	-6.5% - -7.5%
September, 2013	up to 8 months	-7.5% - -8.6%
October, 2013	up to 9 months	-8.6% - -9.7%
November, 2013	up to 10 months	-9.7% - -10.8%
December, 2013	up to 11 months	-10.8% - -11.8%
January, 2014 ³	up to 12 months	0.0% - 0.0%

¹ Claims falling under State Act coverage are estimated to represent a relatively small proportion of the Oklahoma voluntary loss costs for Federal and some Maritime/FELA classifications. As a result, the adjustment to outstanding policies in-force does not apply to "F" Classes and the following Maritime/FELA codes: 6703, 7047, 7050, 7059, 7152, 7337, 7398, 8738, and 8815.

² Adjustment will vary based on the day of the month in which the policy became effective.

³ The impact of Senate Bill 1062 on policies written in January 2014 is already reflected in the loss cost level change effective January 1, 2014 for new and renewal policies.

Exercise

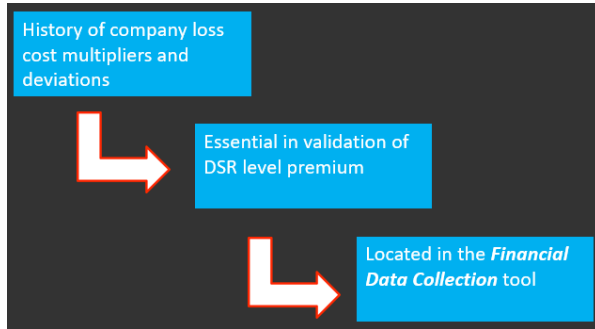


Available in Resource List



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Chapter 3: Active Deviation History



Active Deviation Updates

- Update your company deviation history for current year and later
- Entries prior to current year—Contact your financial data validator
- Use the deviation worksheet in the *Financial Call Reporting Guidebook*, Part 3, to ensure you capture all necessary information for entries

Deviations in Effect During the Year

Search Active Deviation Results										
		1 Effective Date of Deviation	2 NCCI DSR Level Effective Date	3 Deviation Amount	4 Rolling Multiplier	5 Filed or Calculated				
Edit	State	Active Flag	Carrier Code	Effective Date of Deviation	NCCI DSR Level Effective Date	Deviation Amount	Comments	Rolling Multiplier	Filed or Calculated	
	KANSAS	<input checked="" type="checkbox"/>	16962	04/01/2012	01/01/2012	1.500	Per filing	Y	C	
	KANSAS	<input checked="" type="checkbox"/>	16962	01/01/2018	01/01/2018	0.725	Per filing	N	F	

- Effective Date of Deviation:** Contained in approved filing. This is the date you can start using the company rates and deviations in that filing
- NCCI DSR Level Effective Date:** The effective date of the NCCI loss costs or rates you are basing your company rates
- Deviation Amount:** The amount by which you are deviating from NCCI approved loss costs or rates to calculate your company rates
 - ! When entering in the **FDC** tool, always entered as the amount minus 1.
 - Example:*
 Effective Date of Deviation = 1/1/2018, Loss Cost Multiplier = 1.725
 Deviation Amount Entered in **FDC** = 0.725 ← $1.725 - 1.00 = 0.725$
- Rolling Multiplier:**
 - Not available in all states



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- Indicates you are choosing to adopt future approved NCCI loss cost or rate filings on the date they become effective, without changing your deviations amount, until you file a new deviation
 - Avoids redundant entries for subsequent NCCI filings
5. **Filed or Calculated:** Indicates whether the Deviation Amount displayed is:
- A single deviation that applies to all class codes, or tiers of business (Filed)
 - A weighted average of two or more deviations (Calculated)
 - Informational only and will not affect the actual edit checks to validate your reported premium

Deviation Review

Edit	State	Active Flag	Carrier Code	Effective Date of Deviation	NCCI DSR Level Effective Date	Deviation Amount	Comments	Rolling Multiplier	Filed or Calculated
	KANSAS	<input checked="" type="checkbox"/>	16962	04/01/2012	01/01/2012	1.500	Per filing	Y	C
	KANSAS	<input checked="" type="checkbox"/>	16962	01/01/2018	01/01/2018	0.725	Per filing	N	F

Example: NCCI reviews for accuracy and completeness:

1. Large gaps between effective dates could indicate missing deviations
2. Significant change in deviation amounts between two successive entries—not necessarily wrong, but uncommon
3. Changes in Rolling Multiplier and Nonrolling Multiplier should be verified

Active Deviation Updates

When adding a new deviation to your history in **FDC**:

- Use the deviation worksheet in the **Financial Call Reporting Guidebook**, Part 3, to capture all necessary information for entries
- Use the information in the applicable filing to complete
- To make your entries in **FDC** or send to your assigned validator
 - ❗ Use the correct NCCI Carrier Code and Group Code for each entry

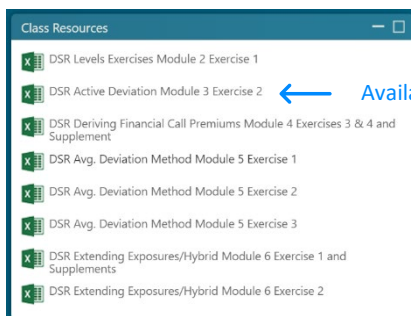
Loss Cost Multiplier (LCM)/Rate Deviation Worksheet

Group Code:		
State:		
Active Flag: (Default = Yes)		
Carrier Code:		
Carrier Deviation Effective Date:		
NCCI DSR Level Effective Date:		
Rolling Multiplier?: (Yes or No)		
Filed/Calculated?:		
Deviation Amount:	Deviation Amount	% of Business Written
Indicate the Deviation Amount and % of Business Written to which the Deviation Amount applies.		
For a Loss Cost Multiplier, Deviation Amount = (LCM - 1.0)		
For a Rate Deviation, Deviation Amount = Rate Deviation expressed as a decimal.		
The sum of % of Business Written must equal 100%.		100%
Comments: (Optional)		

¹ Not all states allow a choice of Rolling or Non-rolling Multipliers. If a state allows only one type, you can select only that type in **Financial Data Collection**.

² "Filed" means a single deviation applies to all class codes. "Calculated" means there are two or more deviations in the filing.

Exercise



← Available in Resource List



**Data Now Program (DNP)
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Loss Cost Multiplier (LCM)/Rate Deviation Worksheet

Information in Carrier Filing		Premium	Distribution	Current LCM	Proposed LCM
■ Group Code: 16962		\$539,297	17.4%	1.598	1.666
■ Carrier Code: 16962		\$1,000,000	32.3%	2.209	2.303
■ State: Kansas		\$1,552,975	50.2%	1.880	1.960
■ NCCI Filing Effective Date: 1/1/2020		\$3,092,272	100.0%	1.937	2.020
■ Carrier Effective Date: 3/1/2020					
■ Rolling Multiplier: Y				Current Weighted Multiplier	1.937
				Proposed Weighted Multiplier	2.020

Chapter 4: Deriving Financial Call Premiums

Deriving Net, Company Standard, and DSR Premiums

Premium Type	Basis	Notes	Financial Call Reporting Guidebook Reference
Net Premium	Start with premium reported on NAIC Annual Statement	Components removed include: <ul style="list-style-type: none"> • Large Deductible Policies • Catastrophe and Terrorism • Florida Excess Profits • Policyholder Dividends 	Part 5 Part 6 Part 9—Call 8 Section
Company Standard Premium	Start with Net Premium	Make necessary adjustments. Provide details on: <ul style="list-style-type: none"> • Premium Discounts • Schedule Rating • Deductible Coverage—Premium Credits • Short-Rate Penalty 	Part 5 Part 6 Part 9
DSR Premium	Start with Company Standard Premium	Make necessary adjustment. Provide details on: <ul style="list-style-type: none"> • Expense Constants • Balance to Minimum Premium • Loss Cost Multipliers (LCM)/Deviations 	Part 5 Part 6 Part 9



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Deriving Net Premium—Example

Policy Year 2019 Premium	
Policy Period	1/1/2019 Through 12/31/2019
Annual Statement* Net Premium	\$8,000,000
Large Deductible (LD) Policies	\$2,900,000
Catastrophe and Terrorism	\$100,000
NCCI Net Premium	\$5,000,000

NAIC Net Premium – LD Policies – Cat and Terrorism
 $\$8,000,000 - (\$2,900,000) - (\$100,000)$

Driving Company Standard—Example

Policy Year 2019 Premium	
Policy Period	1/1/2019 Through 12/31/2019
Annual Statement* Net Premium	\$8,000,000
Large Deductible Policies	\$2,900,000
Catastrophe and Terrorism	\$100,000
NCCI Net Premium	\$5,000,000
Schedule Rating	-\$500,000
Premium Discounts	-\$30,000
Deductible Coverage—Premium Credits	-\$800,000
Short-Rate Penalty	\$20,000
NCCI Company Standard Premium	\$6,310,000

NAIC Net Premium – LD Policies – Cat and Terrorism
 $\$8,000,000 - (\$2,900,000) - (\$100,000)$

NCCI Net Premium – Schedule Rating – Premiums Discounts –
 Deductible Credits – Short Rate Penalty
 $\$5,000,000 - (-\$500,000) - (-\$30,000) - (-\$800,000) - (\$20,000)$

Premium Components Exercise

Policy Year 2019 Premium	
Policy Period	1/1/2019 Through 12/31/2019
NCCI Company Standard Premium	\$6,310,000
Company Selected Expense Constant	\$350,000
Balance to Minimum Premium	\$260,000
Subtotal	\$5,700,000
Filed and Approved LCM	1.50
NCCI DSR Premium	\$3,800,000

NCCI CS Premium – Expense Constant –
 Balance to Minimum Premium
 $\$6,310,000 - \$350,000 - \$260,000$

Sub Total / LCM
 $\$5,700,000 / 1.50$



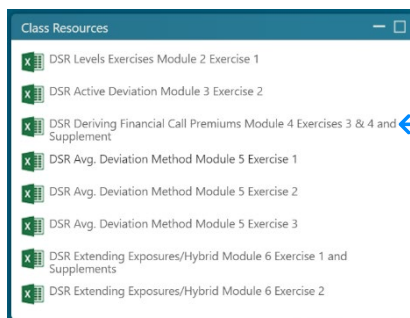
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Calculating DSR Premium

General Approaches:

- Derive DSR Level Premium from Company Standard Premium
 - Calculate an average deviation
 - Then apply that average deviation to Company Standard Premium
- Derive DSR Level Premium Directly
 - Rerate the policies included in the Calls using NCCI-approved loss costs or rates (i.e., extending exposures)
- Hybrid Method

Exercise



Available in Resource List

Premium Components Resources

- **Financial Call Reporting Guidebook**—Part 5, 6, and 9
- Premium Components Summary Chart
- Financial Data Compliance Form

Chapter 5: Average Deviation Method

When to Calculate an Average Deviation

May be preferred when:

- The carrier has one loss cost multiplier in effect
- The carrier's filing effective date is the same as NCCI's filing effective
- Classification code and statistical code level details are difficult to obtain



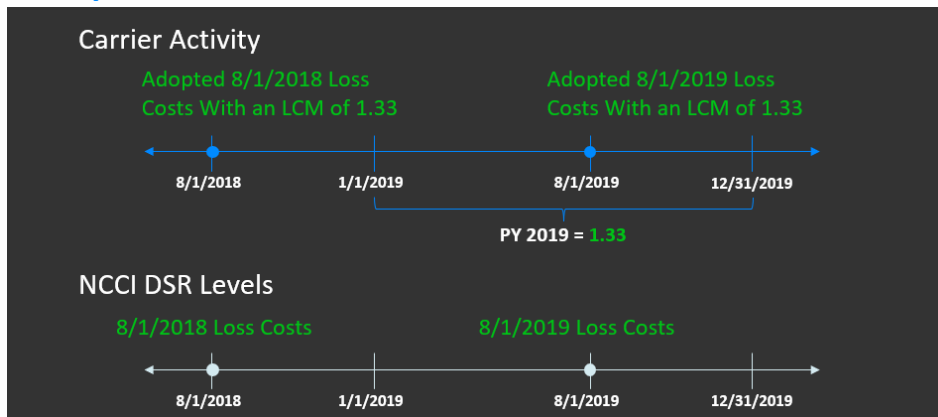
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Average Deviation Calculation—Example 1

The parameters for PY 2019:

- NCCI loss costs became effective on:
 - 8/1/2018
 - 8/1/2019
- Carrier adopted each new approved loss cost on the day it became effective
 - LCM of 1.33 for the 8/1/2018 loss costs
 - LCM of 1.33 for the 8/1/2019 loss costs
- Average deviation for PY 2019 = 1.33

Example 1—Timeline



Example 1—Calculating PY 2019 DSR Premium

Policy Period	1/1/2019 Through 12/31/2019
Net Premium	\$4,250,000
Schedule Rating	-\$450,000
Premium Discount	-\$300,000
Company Standard Premium	\$5,000,000
Expense Constant (EC)	\$240,000
Balance to Minimum Premium (BTMP)	\$105,000
Company Standard Premium Used to Calculate DSR Premium	\$4,655,000
Deviation/LCM	1.33
DSR Premium	\$3,500,000

Net Premium – Schedule Rating – Premium Discount
 $\$4,250,000 - (-\$450,000) - (-\$300,000)$

← Co. Std Premium – EC – BTMP
 $\$5,000,000 - \$240,000 - \$105,000$

Co. Std Premium Subject to DSR/LCM
 $\$4,655,000 / 1.33$



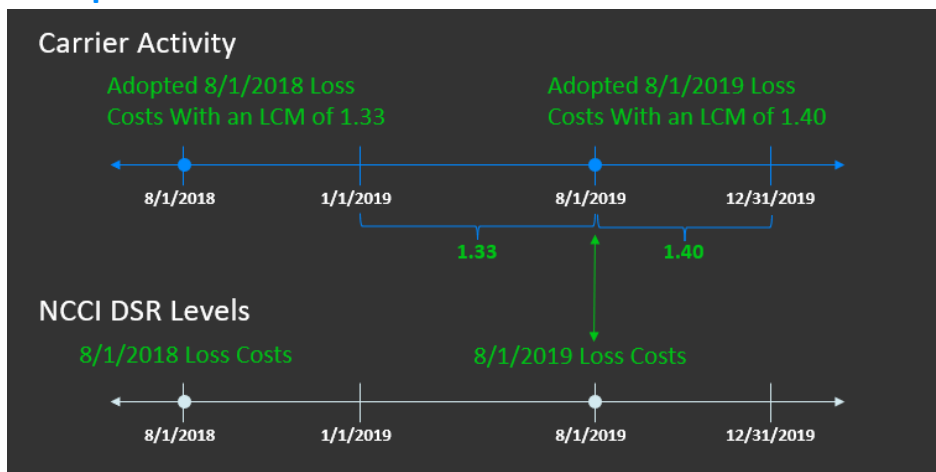
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Average Deviation Calculation—Example 2: Change in LCM

The parameters for PY 2019:

- NCCI loss costs became effective on:
 - 8/1/2018
 - 8/1/2019
- Carrier adopted each new approved loss cost on the day it became effective
 - LCM of 1.33 for the 8/1/2018 loss costs
 - LCM of 1.40 for the 8/1/2019 loss costs

Example 2—Timeline



Example 2—Calculating PY 2019 DSR Premium

Policy Period	1/1/2019 Through 7/31/2019	8/1/2019 Through 12/31/2019	PY 2019 Total
Net Premium	\$1,000,000	\$3,250,000	\$4,250,000
Schedule Rating	-\$100,000	-\$200,000	
Premium Discount	-\$150,000	-\$300,000	
Company Standard Premium	\$1,250,000	\$3,750,000	\$5,000,000
Expense Constant (EC)	\$80,000	\$160,500	
Balance to Minimum Premium (BTMP)	\$40,000	\$65,000	
Company Standard Premium Used to Calculate DSR Premium	\$1,130,000	\$3,524,500	
Deviation/LCM	1.33	1.40	
DSR Premium	\$849,624	\$2,517,500	\$3,367,124



Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium Series

Exercise 1

Class Resources

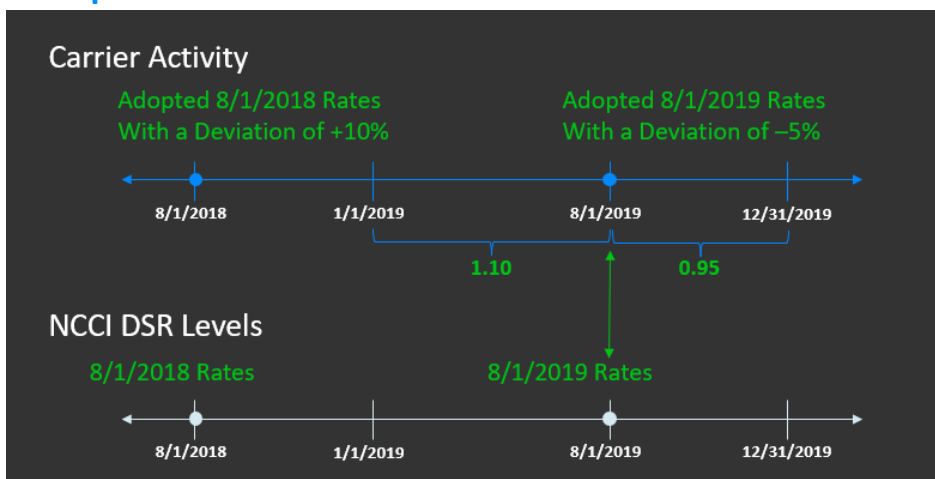
- DSR Levels Exercises Module 2 Exercise 1
- DSR Active Deviation Module 3 Exercise 2
- DSR Deriving Financial Call Premiums Module 4 Exercises 3 & 4 and Supplement
- DSR Avg. Deviation Method Module 5 Exercise 1 ← Available in Resource List
- DSR Avg. Deviation Method Module 5 Exercise 2
- DSR Avg. Deviation Method Module 5 Exercise 3
- DSR Extending Exposures/Hybrid Module 6 Exercise 1 and Supplements
- DSR Extending Exposures/Hybrid Module 6 Exercise 2

Average Deviation Calculation—Example 3: Company Expense Constant

The parameters for PY 2019:

- NCCI rates became effective on:
 - 8/1/2018
 - 8/1/2019
- Carrier adopted both approved rate filings on the day they became effective
 - Rate deviation of +10% for the 8/1/2018 rates
 - Rate deviation of -5% for the 8/1/2019 rates
- Expense Constants
 - Carrier Expense Constant is \$300
 - NCCI Expense Constant is \$150

Example 3—Timeline





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Example 3—Calculating PY 2019 Net and Company Standard Premium

Policy Period	1/1/2019 Through 7/31/2019	8/1/2019 Through 12/31/2019	PY 2019 Total
Net Premium	\$3,400,000	\$1,350,000	\$4,750,000
Schedule Rating	-\$300,000	-\$150,000	
Premium Discount	-\$200,000	-\$100,000	
Company Standard Premium	\$3,900,000	\$1,600,000	\$5,500,000
Company Expense Constant (EC)	\$150,000	\$60,000	
Balance to Minimum Premium (BTMP)	\$71,000	\$34,000	
Consent to Rate Premium	\$400,000	\$100,000	
Company Standard Premium Used to Calculate DSR Premium	\$3,279,000	\$1,406,000	

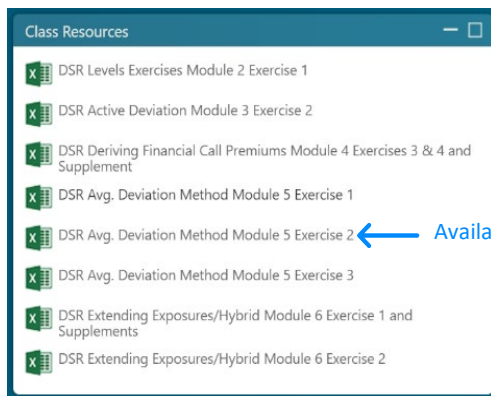
← 1/1/2019–7/31/2019: 500 policies
 8/1/2019–12/31/2019: 200

Example 3—Calculating PY 2019 DSR Premium

Policy Period	1/1/2019 Through 7/31/2019	8/1/2019 Through 12/31/2019	PY 2019 Total
Company Standard Premium Used to Calculate DSR Premium	\$3,279,000	\$1,406,000	
Rate Deviation	1.10	0.95	
DSR Premium Without EC and BTMP	\$2,980,909	\$1,480,000	
NCCI Expense Constant	\$75,000	\$30,000	
Balance to Minimum Premium	\$71,000	\$34,000	
DSR Premium	\$3,126,909	\$1,544,000	\$4,670,909

← 1/1/2019–7/31/2019: 500 policies
 8/1/2019–12/31/2019: 200 policies

Exercise 2



← Available in Resource List



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Average Deviation Calculation—Example 4: Delayed Adoption

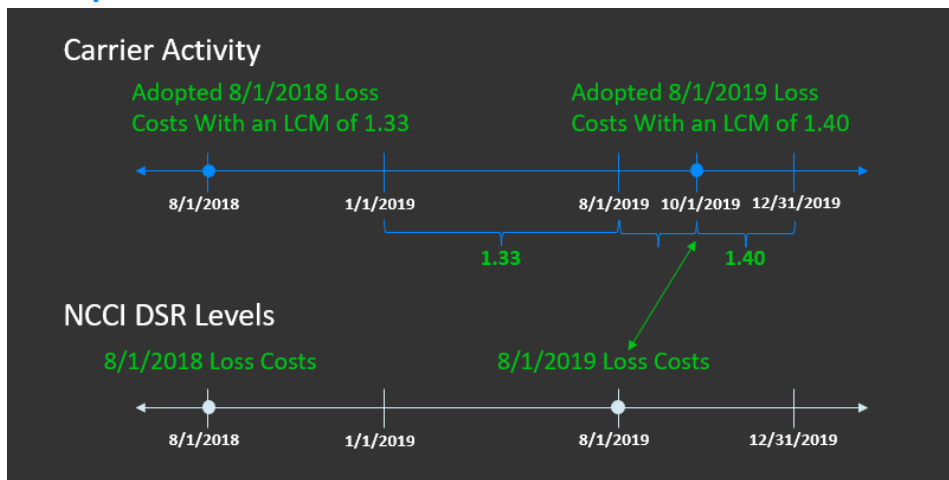
The parameters for PY 2019:

- NCCI loss costs became effective on:
 - 8/1/2018
 - 8/1/2019
- But the carrier adopted the loss costs as follows:
 - 8/1/2018 loss costs on the day they became effective, with an LCM of 1.33
 - 8/1/2019 loss costs on 10/1/2019, with an LCM of 1.4
- This means there are now three different time periods to consider

Average Deviation Calculation—Example 4: Time Periods Affecting the Calculation

Time Periods	Carrier is using...
January through July	8/1/2018 loss costs—same as the DSR Level
August through September	8/1/2018 loss costs—NOT the same as the DSR Level; the DSR Level is 8/1/2019
October through December	8/1/2019 loss costs—same as the DSR Level

Example 4—Timeline



- For August through September, determine what implied LCM—applied to the company standard premium for that period—would result in the DSR premium that reflects the DSR Level in effect



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- If the 8/1/2019 loss costs decreased by 8% on average, then the LCM, in effect, would need to be adjusted by the factor of $1 - 0.08 = 0.92$
- The implied LCM factor is $1.33 / 0.92 = 1.45$
- The passive deviation or implied LCM is the result of a carrier not taking action the same day as the approved NCCI filing effective date



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Example 4—Implied LCM

Company Standard Premium* Using Loss Costs Effective 8/1/2018	LCM	NCCI DSR Level 8/1/2018
\$400,200	1.33	\$300,902

↓ 8/1/2019 change is -8%

Company Standard Premium* Using Loss Costs Effective 8/1/2018	Implied LCM	NCCI DSR Level 8/1/2019
\$400,200		\$276,000

↑ What is the correct factor?
 $\$400,200 / \$276,000 = 1.45$, which yields the same
amount as $1.33 / 0.92 = 1.45$

* Excludes factors such as expense constant and balance to minimum premium amounts

- To calculate an implied LCM, divide the carrier LCM by the value that represents the approved change in loss costs for your book of business
- For some carriers, the appropriate value *may* be the same as the overall approved change filed by NCCI (e.g., 0.92)

Example 4—Calculating PY 2019 DSR Premium

Policy Period	1/1/2019 Through 7/31/2019	8/1/2019 Through 9/30/2019	10/1/2019 Through 12/31/2019	PY 2019 Total
Net Premium	\$900,000	\$3,650,000	\$450,000	\$5,000,000
Schedule Rating	-\$50,000	-\$250,000	-\$100,000	
Premium Discount	-\$25,000	-\$100,000	-\$65,000	
Company Standard Premium	\$975,000	\$4,000,000	\$615,000	\$5,590,000
Expense Constant (EC)	\$70,500	\$225,500	\$44,500	
Balance to Minimum Premium (BTMP)	\$21,000	\$126,300	\$18,700	
Company Standard Premium Used to Calculate DSR Premium	\$883,500	\$3,648,200	\$551,800	
Deviation/LCM	1.33	1.45	1.40	
DSR Premium	\$664,286	\$2,516,000	\$394,143	\$3,574,429



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Carrier-Specific Loss Cost Level Change Effect—Example 4

- The carrier’s most recent LCM is 1.33.
- The indication for the DSR Level in effect that the carrier has yet to adopt is –8%. That was the factor we went with and may represent the most appropriate factor for most carriers.
- How do we know if that factor is appropriate? How do we calculate what the effect of the not-yet-adopted filing was on your book of business?

Change in Loss Costs

Class Code	8/1/2018 Loss Costs Adopted by Carrier	8/1/2019 Loss Costs Adopted by Carrier on 10/1/2019	Change
0008	\$2.05	\$1.88	–8.3%
2735	\$3.85	\$3.27	–15.1%
2759	\$5.25	\$5.78	+9.9%
Carrier’s Change Between –15.1% and 9.9%			

Calculating Change in Loss Costs

Class Code	Policy Year Earned Exposure 8/1/2019—9/31/2019	8/1/2018 Loss Costs Adopted by Carrier	8/1/2019—9/31/2019 DSR Premium Using 8/1/2018 Loss Costs	8/1/2019 Loss Cost Not Adopted by Carrier Until 10/1/2019	8/1/2019—9/31/2019 DSR Premium Using 8/1/2019 Loss Costs	Change in Loss Costs
0008	\$9,000,000	\$2.05	\$184,500	\$1.88	\$169,200	–8.3%
2735	\$2,500,000	\$3.85	\$96,250	\$3.27	\$81,750	–15.1%
2759	\$32,500,000	\$5.25	\$1,706,250	\$5.78	\$1,878,500	+9.9%
		Total	\$1,987,000		\$2,129,450	+7.2%



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Carrier-Specific Loss Cost Level Change Effect

- Statewide Change Factor
 - $1.000 - 0.080 = 0.920$
- Implied LCM Using Statewide Change
 - $1.330 / 0.920 = 1.45$
- Carrier-specific Change Factor
 - $1.000 + 0.072 = 1.072$
- Carrier-specific Implied LCM
 - $1.330 / 1.072 = 1.24$

Average Deviation Calculation—Example 5: Delayed Adoption Using Carrier Change in Loss Costs

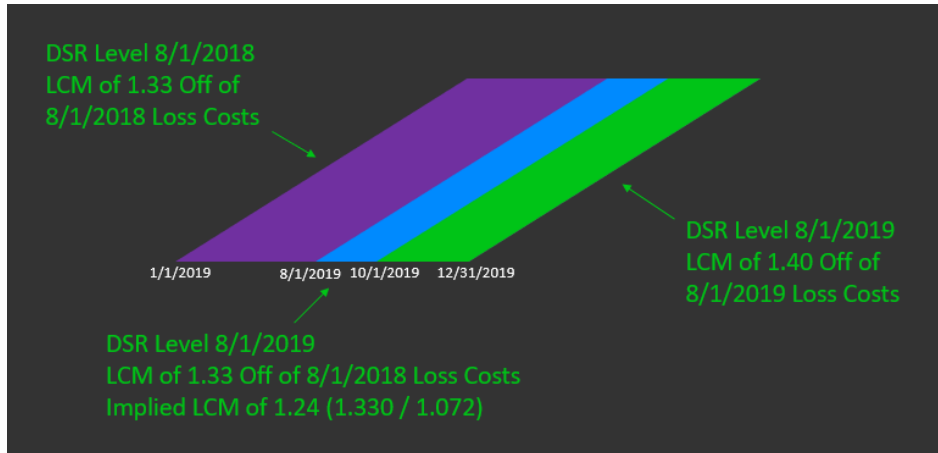
The parameters for PY 2019:

- January Through July
 - 8/1/2018 loss cost with LCM of 1.33
- August Through September
 - Did not adopt the 8/1/2019 loss costs that reflected a statewide *decrease* of 8%
 - Determined that the effect of these new loss costs on the carrier's book of business was a 7.2% *increase*
 - Therefore, the implied LCM is $1.330 / 1.072 = 1.24$
- October Through December
 - 8/1/2019 loss costs on 10/1/2019 with LCM of 1.40



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Level Premium Series

Example 5—Parallelogram Diagram





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Level Premium Series

Example 5—Calculating PY 2019 DSR Premium

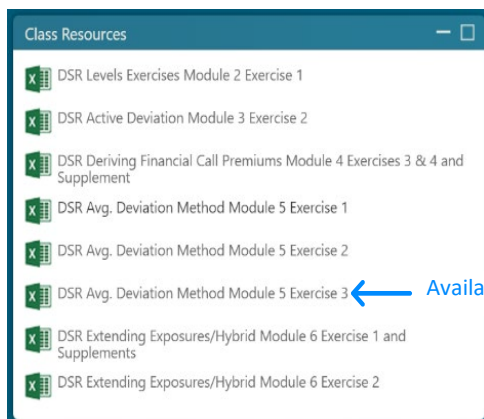
Policy Period	1/1/2019 Through 7/31/2019	8/1/2019 Through 9/30/2019	10/1/2019 Through 12/31/2019	PY 2019 Total
Net Premium	\$900,000	\$3,650,000	\$450,000	\$5,000,000
Schedule Rating	-\$50,000	-\$250,000	-\$100,000	
Premium Discount	-\$25,000	-\$100,000	-\$65,000	
Company Standard Premium	\$975,000	\$4,000,000	\$615,000	\$5,590,000
Expense Constant (EC)	\$70,500	\$225,500	\$44,500	
Balance to Minimum Premium (BTMP)	\$21,000	\$126,300	\$18,700	
Company Standard Premium Used to Calculate DSR Premium	\$883,500	\$3,648,200	\$551,800	
Deviation/LCM	1.33	1.24	1.40	
DSR Premium	\$664,286	\$2,941,935	\$394,143	\$4,000,364

Example 5—Using DSR Weights for PY 2019 Premium

Time Period (1)	Company Standard Premium (2)	Expense Constant (3)	Balance to Minimum Premium (4)	Company Standard Premium Used to Calculate DSR (5) = (2) – (3) – (4)	Deviation (6)	DSR Premium (7) = (5) / (6)	% of DSR Premium (8) = (7) / (7) total
1/1/2019–7/31/2019	\$975,000	\$70,500	\$21,000	\$883,500	1.33	\$664,286	16.6%
8/1/2019–9/30/2018	4,000,000	225,500	126,300	3,648,200	1.24	2,941,935	73.5%
10/1/2019–12/31/2018	615,000	44,500	18,700	551,800	1.40	394,143	9.9%
PY 2019 Total	\$5,590,000	\$340,500	\$166,000	\$5,083,500	1.271*	\$4,000,364	100%

* $\$5,083,500 / \$4,000,364 = 1.271$
 $(1.33 \times 16.6\%) + (1.24 \times 73.5\%) + (1.40 \times 9.9\%) = 1.271$

Exercise 3



← Available in Resource List



Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium Series

Chapter 6: Extending Exposures/Hybrid Method

When to Extend Exposures

Acceptable when:

- The average deviation calculation is challenging:
 - Delayed adoption of NCCI filings
 - Multiple loss cost multipliers (LCM) in effect
- Class code and statistical code level detail is available to accurately report the Financial Call data

Methods of Extending Exposures

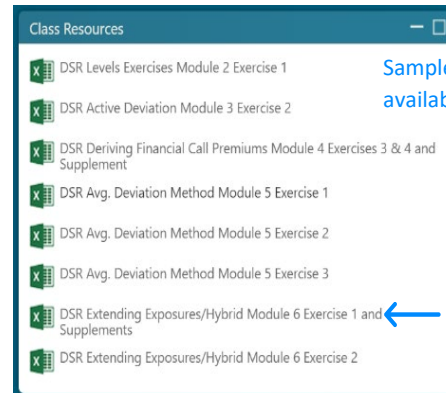
Policy Level	Class Code Level
Each policy rerated using the DSR Level loss costs or rates	Data should be grouped (across policies) to capture all carrier rate changes and NCCI loss cost/rate changes
	Need to obtain an average experience modification factor for the policy year

Sample Premium Algorithm—Alabama

To apply premium adjustments in the correct order, follow the state-specific premium algorithm for units and the guidelines in the *Financial Call Reporting Guidebook*.

PREMIUM ELEMENTS	EXPLANATORY NOTES
MANUAL PREMIUM	$[(PAYROLL / 100) * RATE]$
+ Supplementary Disease (foundry, abrasive, sandblasting)	$[(SUBJECT PAYROLL / 100) * DISEASE RATE]$
+ USL&H Exposure for non-F classification codes	$[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]$
TOTAL MANUAL PREMIUM	
+ Waiver of Subrogation factor ^[1]	% applied to the portion of Total Manual Premium where waiver is applicable, subject to minimum charge
+ Employers Liability (E/L) increased limits factor	% applied to Total Manual Premium
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+ Employers Liability increased limits factor (Admiralty, FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applied]
+ Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]
- Small Deductible credit	% applied to Total Manual Premium
SUBJECT PREMIUM	
x Drug-Free Workplace Premium Credit factor (1 - DFW Credit %)	
TOTAL SUBJECT PREMIUM	
x Experience Modification (Exp Mod)	
TOTAL MODIFIED PREMIUM	
x Merit Rating factor (1 - MR credit %) or (1 + MR debit %)	[Non-rated risks]
x Schedule Rating factor (1 - SR credit %) or (1 + SR debit %)	
+ Supplemental Disease Exposure (Asbestos, NCCI) ^[2]	
+ Atomic Energy Radiation Exposure ^[3]	

Excerpt from the *Basic Manual*



Sample Premium Algorithm available in Class Resources

Premium Calculations

Follow guidelines in the *Financial Call Reporting Guidebook*. Policies may contain both included and excluded class codes.



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Designated Statistical Reporting (DSR)
Level Premium Series

Examples of **excluded** class codes:

- Federal Employers Liability Act (FELA) and Maritime
- Underground Coal Mine

Examples of **excluded** policies:

- Large Deductible
- Excess Policies

Statistical code premium amount should reflect only amounts associated with the **included** experience.

Examples:

- Expense Constants—Exclude or include 100% depending on applicable DSR Level
- Multiplicative Factors—Prorated based on the experience included in the Financial Calls
 - Employers Liability Increased Limits
 - Drug-Free Workplace credit

Extending Exposures—Policy Level—Example 1

Policy Number	WC123456
Exposure State	Alabama
Policy Effective Date	3/1/2019
Policy Expiration Date	2/29/2020
Employers Liability Increased Limits	3.0%
Drug-Free Workplace Credit	-5.0%
Experience Modification Factor	1.20
Expense Constant	\$200

Class Code	Payroll	Company Rate	NCCI Loss Cost
2065	1,000,000	4.05 (2.53 x 1.60)	2.53
8810	40,000,000	0.24 (0.15 x 1.60)	0.15



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Level Premium Series

Premium Calculations for PY 2019—Example 1

Premium	Company Standard	DSR Level
Manual	136,500 <small>$[(1,000,000 / 100) \times 4.05]$ $+ [(40,000,00 / 100) \times 0.24]$</small>	85,300 <small>$[(1,000,000 / 100) \times 2.53]$ $+ [(40,000,00 / 100) \times 0.15]$</small>
Increased Limits	4,095 <small>$136,500 \times 0.030$</small>	2,559 <small>$85,300 \times 0.030$</small>
Drug-Free Credit	-7,030 <small>$(136,500 + 4,095) \times -0.05$</small>	-4,393 <small>$(85,300 + 2,559) \times -0.05$</small>
Subtotal	133,565 <small>$136,500 + 4,095 - 7,030$</small>	83,466 <small>$85,300 + 2,559 - 4,393$</small>
Subtotal With Exp. Mod	160,278 <small>$133,565 \times 1.20$</small>	100,159 <small>$83,466 \times 1.20$</small>
Expense Constant	200	0
Total	\$160,478 <small>$(160,278 + 200)$</small>	\$100,159

Extending Exposures—Policy Level—Example 2

Policy Number	WC123457
Exposure State	Alabama
Policy Effective Date	3/1/2020
Policy Expiration Date	2/28/2021
Employers Liability Increased Limits	3.0%
Drug-Free Workplace Credit	-5.0%
Experience Modification Factor	1.20
Expense Constant	\$200

Class Code	Payroll	Company Rate	NCCI Loss Cost
2065	1,000,000	4.05 (2.53 x 1.60)	2.23
8810	40,000,000	0.24 (0.15 x 1.60)	0.13

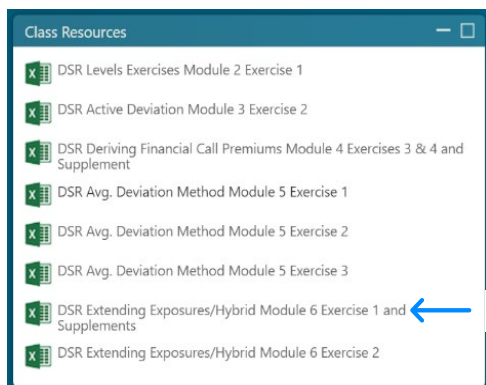


Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium Series

Premium Calculations for PY 2019—Example 2

Premium	Company Standard	DSR Level
Manual	136,500 $\left(\frac{[1,000,000 / 100] \times 4.05}{+ [40,000,00 / 100] \times 0.24}\right)$	74,300 $\left(\frac{[1,000,000 / 100] \times 2.29}{+ [40,000,00 / 100] \times 0.13}\right)$
Increased Limits	4,095 $136,500 \times 0.030$	2,229 $74,300 \times 0.030$
Drug-Free Credit	-7,030 $(136,500 + 4,095) \times -0.05$	-3,826 $(74,300 + 2,229) \times -0.05$
Subtotal	133,565 $136,500 + 4,095 - 7,030$	72,163 $74,300 + 2,229 - 3,826$
Subtotal With Exp. Mod	160,278 $133,565 \times 1.20$	86,596 $72,163 \times 1.20$
Expense Constant	200	0
Total	\$160,478 $(160,278 + 200)$	\$86,596

Exercise 1



← Available in Resource List

Recap—Extending Exposures—Policy Level

- Follow premium algorithm from the **Basic Manual** and calculate the Manual Premium
- Apply appropriate premium adjustments in the order set out by the premium algorithm
- Sum up the premium components and manual premium to arrive at total subject premium and apply the experience modification factor
- Add NCCI expense constant if DSR Level is rates
- Sum results for all policies
- Total DSR premium—Success!



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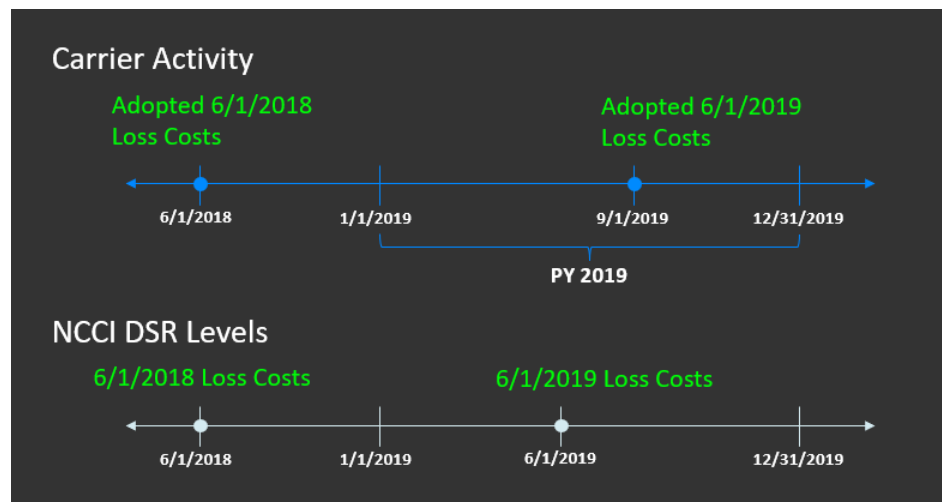
Extending Exposures—Class Code Method Example

Parameters for PY 2019:

- NCCI loss costs became effective on:
 - 6/1/2018
 - 6/1/2019
- But the carrier adopted these loss costs:
 - 6/1/2018 loss costs on the day they became effective
 - 6/1/2019 loss costs on 9/1/2019

There are three time periods to consider.

Timeline





Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium Series

Extending Exposures—Class Code Method Example

Organization of Data

Policy Year 2019 as of 12/31/2020								
Class Code (1)	First PED (2)	Last PED (3)	Earned Payroll (4)	Carrier Rate (5)	NCCI Loss Cost (6)	Avg. Exp Mod (7)	Company Standard Premium (8) = [(4) / 100] x (5) x (7)	DSR Level Premium (9) = [(4) / 100] x (6) x (7)
1642	1/1/19	5/31/19	5,000,000	8.55	6.58	1.1	470,250	361,900
2065	1/1/19	5/31/19	3,000,000	3.12	2.40	1.1	102,960	79,200
2362	1/1/19	5/31/19	0	5.50	4.18	1.1		
1642	6/1/19	8/31/19	8,000,000	8.55	7.02	1.1	752,400	617,760
2065	6/1/19	8/31/19	0	3.12	2.45	1.1		
2362	6/1/19	8/31/19	0	5.50	5.00	1.1		
1642	9/1/19	12/31/19	0	8.75	7.02	1.1		
2065	9/1/19	12/31/19	0	3.30	2.45	1.1		
2362	9/1/19	12/31/19	10,000,000	6.00	5.00	1.1	660,000	550,000
Totals							1,985,610	1,608,860

PED = Policy Effective Date

Calculate an average LCM, ratio of the Company Standard and DSR Level premium, to arrive at the average LCM for PY 2019 of 1.234

Policy Year 2019 as of 12/31/2020								
Class Code (1)	First PED (2)	Last PED (3)	Earned Payroll (4)	Carrier Rate (5)	NCCI Loss Cost (6)	Avg. Exp Mod (7)	Company Standard Premium (8) = [(4) / 100] x (5) x (7)	DSR Level Premium (9) = [(4) / 100] x (6) x (7)
1642	1/1/19	5/31/19	5,000,000	8.55	6.58	1.1	470,250	361,900
2065	1/1/19	5/31/19	3,000,000	3.12	2.40	1.1	102,960	79,200
1642	6/1/19	8/31/19	8,000,000	8.55	7.02	1.1	752,400	617,760
2362	9/1/19	12/31/19	10,000,000	6.00	5.00	1.1	660,000	550,000
Totals							1,985,610	1,608,860

Average Loss Cost Multiplier = 1,985,610 / 1,608,860 = 1.234



Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium Series

Statistical Codes

Policy Year 2019 as of 12/31/2020

Stat Code (1)	Description (2)	Premium (3)	Avg. Exp Mod (4)	Company Standard Premium (5) = (3) x (4)	Average Deviation (6)	DSR Level Premium (7) = (5) / (6)
0900	Expense Constant	6,000	—	6,000	—	—
9812	Increased Limits	75,000	1.1	82,500	1.234	66,856
Totals				88,500		66,856

Add the class code and statistical code totals to arrive at a Company Standard premium of \$2,074,110 and DSR Level premium of \$1,675,716

Policy Year 2019 as of 12/31/2020

	Company Standard Premium	DSR Level Premium
Class Codes	1,985,610	1,608,860
Statistical Codes	88,500	66,856
Totals	2,074,110	1,675,716

Extending Exposures—Hybrid Method

Using the class code example of extending exposures, calculate the average deviation using the class code method of extending exposures. Take this average loss cost multiplier of 1.234 and apply it to the average deviation method calculation.

Policy Year 2019 as of 12/31/2020

Class Code (1)	First PED (2)	Last PED (3)	Earned Payroll (4)	Carrier Rate (5)	NCCI Loss Cost (6)	Avg. Exp Mod (7)	Company Standard Premium (8) = [(4) / 100] x [(5) x (7)]	DSR Level Premium (9) = [(4) / 100] x [(6) x (7)]
1642	1/1/19	5/31/19	5,000,000	8.55	6.58	1.1	470,250	361,900
2065	1/1/19	5/31/19	3,000,000	3.12	2.40	1.1	102,960	79,200
1642	6/1/19	8/31/19	8,000,000	8.55	7.02	1.1	752,400	617,760
2362	9/1/19	12/31/19	10,000,000	6.00	5.00	1.1	660,000	550,000
Totals							1,985,610	1,608,860

Average Loss Cost Multiplier = 1,985,610 / 1,608,860 = 1.234

Group the data as if using the average deviation method.



Data Now Program (DNP) Designated Statistical Reporting (DSR) Level Premium Series

- Take Net Premium, then derive Company Standard premium by removing components that are not in Company Standard but are in Net Premium.
- Remove the components that are in Company Standard Premium that are not in DSR Level Premium (e.g., Expense Constant)
- Apply the average loss cost multiplier for PY2019, calculated using the class code method of extending exposures, DSR Level Premium of \$1,675,940
- Comparing results using the class code method, difference is minimal

Policy Year 2019 Premium	Policy Period	1/1/2019 Through 12/31/2019	
	Net Premium	\$1,709,110	
	Schedule Rating	-\$257,000	
	Premium Discount	-\$108,000	Net Premium – Schedule Rating – Premium Discount \$1,709,110 – (-\$257,000) – (-\$108,000)
	Company Standard Premium	\$2,074,110	
	Expense Constant (EC)	\$6,000	Co Std Premium – EC \$2,074,110 – \$6,000
	Company Standard Premium used to calculate DSR Premium	\$2,068,110	
	Deviation/LCM	1.234	Co Std Premium Subject to DSR / LCM \$2,068,110 / 1.234
DSR Premium	\$1,675,940		

Class Code Method = \$1,675,716

Comparing these results with the class code method's results, difference is minimal

Exercise 2

Class Resources

- DSR Levels Exercises Module 2 Exercise 1
- DSR Active Deviation Module 3 Exercise 2
- DSR Deriving Financial Call Premiums Module 4 Exercises 3 & 4 and Supplement
- DSR Avg. Deviation Method Module 5 Exercise 1
- DSR Avg. Deviation Method Module 5 Exercise 2
- DSR Avg. Deviation Method Module 5 Exercise 3
- DSR Extending Exposures/Hybrid Module 6 Exercise 1 and Supplements
- DSR Extending Exposures/Hybrid Module 6 Exercise 2 ← Available in Resource List



Data Now Program (DNP)
Designated Statistical Reporting (DSR)
Level Premium Series

Recap—Extending Exposure—Class Code Method

1. Group up each class code across all policies and policy effective dates
2. Establish the time periods to group up policies, creating a new time period in the policy year whenever there is a company rate change or approved NCCI filed loss cost/rate change
3. Using the exposures for each class code, use the company rates and DSR Level loss costs to calculate premium at the Company Standard level and DSR premium level.
4. Summarize the class code premium and determine an average loss cost multiplier or rate deviation by taking the ratio of the total company standard premium to the total DSR Level premium
5. Calculate statistical code premium and use the average LCM/deviation as necessary to calculate statistical code premium at the DSR Level
6. Sum up the class code premium and statistical code premium to arrive at our total company standard and DSR Level premium

Resources—[ncci.com](https://www.ncci.com)

- ***Financial Call Reporting Guidebook***
- ***Financial Data Collection*** Tool
- ***Basic Manual***
- Circulars/***FYI Plus***
- Reporting Season Web Article
- Webinars on Demand
- ***Data Now Program*** Materials
- NCCI Financial Data—Assigned Validator