



Data Now Program (DNP) Financial Call Components: Advanced Topics

Key Takeaways

- Premium Components
- Loss Components
- Claim Count Considerations
- Defense and Cost Containment Expense (DCCE) and Examples

Chapter #1 Financial Call Premium

Define Three Categories of Earned Premium

Net Earned	Standard Earned at Company Level	Standard Earned at DSR Level
Company rates + Loss Cost Multiplier + Approved deviation	Company rates + Loss Cost Multiplier + Approved deviation	NCCI loss costs or rates
Include most premium adjustments + Surcharges + Assessments + Discounts	Include individual risk experience modification	Exclude - Loss Cost Multiplier - Approved Deviation
Reconcile to premium reported on NAIC Annual Statement and Call #8	Exclude any other risk specific adjustments	Represents pure premium generated if coverage were written at an NCCI loss cost or rate levels

Premium Components Summary Chart

- Located in Part 5 of *Financial Call Reporting Guidebook*
- Lists common and specific premium components
- Displays “X” when component is included in premium category: Net, Company Standard, and DSR
- Shades cells when component is not applicable in premium category

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) ^[1]	X	X	X		
2. Balance to Minimum Premium Adjustment ^[2,3]	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				
8. Drug-Free Workplace Credits	X	X	X	X	X
9. Expense Constants: Company-Selected Expense Constant	X	X		X	
10. Expense Constants: NCCI-Published Expense Constant ^[4,5]	X	X	X		
11. Experience Rating Modifications: Deviations From NCCI-Promulgated Experience Rating Modification Factor	X				
12. Experience Rating Modifications: NCCI-Promulgated Experience Rating Modification	X	X	X	X	X
13. Experience Rating Modifications: Oregon Group Supplemental Experience Rating Plan (OGSERP)	X			X	X
14. Florida Excess Profits					
Do Not Report					
15a. Foreign Voluntary Compensation	X	X	X	X	X
15b. Foreign Voluntary Compensation—Optional Repatriation Coverage	X				
16. Georgia Work-Based Learning Program	X			X	X



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How to Use the Premium Components Summary Chart

- When DSR level is rates
- When DSR level is loss costs
- Determine pricing category for the state
 - Visit part 5-A of the Reporting Guidebook

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) ^[2]	X	X	X		
2. Balance to Minimum Premium Adjustment ^[2*]	X	X	X	X	
3. Catastrophe and Terrorism Provisions (e.g., DTEC, TRIA, TRIFA, TRIPRA)		<i>Do Not Report</i>			

Premium Component Examples

Balance to Minimum Premium	Expense Constants
Independent Carrier Filings	Managed Care Program Credits
Schedule Rating	Consent to Rate

Balance to Minimum Premium

- Include the adjustment for all premium levels when DSR level is rates
- Include the adjustment for net and company standard levels in loss cost states
- Exclude the adjustment for voluntary business in a loss cost state and in Texas for DSR Premium

Solving Common Issues:

Do not include the adjustment in DSR premium in a loss cost state

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
2 Balance to Minimum Premium Adjustment ^[**]	X	X	X	X	
^[**] Do not include in DSR Level Premium for Texas.					



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Example: Balance to Minimum Premium: Rate State

1. Remove the Balance to Minimum Premium from Company Standard Premium		
Company Standard: \$2,000,000	Balance to Minimum Premium: \$300,000	Adjusted Company Standard: = \$1,700,000
2. Remove the effect of the deviation		
Adjusted Company Standard: \$1,700,000	Deviation: / .983	Subtotal Premium: = \$1,729,400
3. Add the Balance to Minimum Premium back in		
Subtotal: \$1,729,400	Balance to Minimum Premium: \$300,000	DSR Premium total: = \$2,029,400

Expense Constants—Company-Selected

Include the adjustment in Net and Company Standard premium levels in rate and loss cost states.

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
9 Expense Constants: Company-Selected Expense	X	X		X	

Solving Common Issues:

Do not include the Company Selected Expense Constants in DSR premium in any state



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Expense Constants—NCCI-Published

- Include the adjustment in Net, Company Standard, and when DSR premium level is rates
- Exclude the adjustment in Company Standard and when DSR premium level is loss costs
- In Texas, and for loss cost states for voluntary business only, NCCI doesn't publish an expense constant

Solving Common Issues:

Do not include the NCCI expense constant in Company Standard and DSR Premiums when at the loss cost level

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
10 Expense Constants: NCCI-Published Expense	X	X	X		

Independent Carrier Filings

Premium Components Summary Chart

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
19. Independent Carrier Filings	X				

- This premium is included in Net Premium but not included in Company Standard and DSR Level Premium
- Only applies when there is not a premium component already explicitly stated in the chart

Managed Care Programs

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
21 Managed Care Programs: Managed Care Credits	X	X	X	X	X

- Include this adjustment in all premium levels
- Many states may have specific names for this program
- Examples of state-specific programs include:
 - Colorado Designated Medical Provider Program
 - Georgia Managed Care Arrangement Premium Credit Program



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Texas-Certified WC Health Care Network

Include the adjustment in the Net premium only.

Note: This is different than Managed Care Programs in other states

Solving Common Issues:

Do not confuse the Texas Certified WC Health Care Network with managed care programs

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
32 Texas Certified WC Health Care Network	X				

Schedule Rating

- Include the Schedule Rating adjustment in the Net premium only
- Shows on Calls 10 and 10T

Solving Common Issues:

Do not include the schedule rating in DSR or Company Standard premium in any state

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
30 Schedule Rating and Other Prospective State-Specific Rating Adjustments	X				



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Consent to Rate

- Net premium and Company Standard earned premium includes amounts attributable to Consent to Rate
- DSR level earned premium only includes the premium at the approved rate; it excludes the additional premium due to Consent to Rate

Solving Common Issues:

Do not include the Consent to Rate in DSR premium in a rate state like FL. Include remainder of policy premium where applicable.

Component	Net	When DSR Level Is Rates		When DSR Level Is Loss Costs	
		Company Standard	DSR	Company Standard	DSR
5 Consent to Rate	X	X		X	

Consent to Rate Example

State Approved Rate	Payroll	Premium (Payroll/100 x Rate)
\$5.00	\$300,000	\$15,000
Consent to Rate Amount	Payroll	Premium (Payroll/100 x Rate)
\$20.00	\$300,000	\$60,000
Premium Amounts Reported to NCCI		
DSR Premium	Company Standard Premium	Net Premium
[]	[]	[]
Consent to Rate Amount = []		

Refer to Statistical Plan Part 6-E—Statistical Codes

- Part 6-E-1—Premium Amount *Subject* to Experience Rating
- Part 6-E-2—Premium Amount *Not Subject* to Experience Rating
- Part 6-E-3—Premium Amount *Not Part* of Standard Premium



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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.
Deductible Reporting (Subject to Experience Rating)	9664	Credit (-)	NV	07/01/2000		Applies to NCCI-filed and insurer-filed deductible programs.

Chapter #2: Financial Call Losses

Part 5-B—Losses Reported in Financial Calls

Summarizes what is included in the losses

- Reviewing Edits and Notifications
- Providing Edit Explanations
- Addressing Actuarial Inquiries

B. Losses Reported in Financial Calls

As a general rule, losses and expenses incurred for the benefit of the claimant are included in the losses reported in Financial Calls, and expenses incurred for the benefit of the carrier are excluded from the losses reported in Financial Calls. For additional detail, refer to the corresponding rules outlined in NCCI's *Statistical Plan*.

For losses reported in Financial Calls:

- Report Financial Call losses for a given policy to the exposure state—the same state to which the corresponding policy premium has been assigned.
- Do not report losses by state of injury or state of benefit.
- Do not report losses for claims with accident dates outside of the policy period that are required to be paid due to an official ruling, and where there is no corresponding exposure.
- Report losses on an accumulated basis from the issue date of the policy (policy year) or the date of accident (accident year) through December 31 of the most recent year.
- For line Z in the applicable Calls only, report the calendar year change in losses rather than the accumulated total.
- Report Case Management expenses incurred in the monitoring of care and treatment of an injured worker in the interest of achieving maximum medical recovery with the medical losses reported on the Calls.
- Report Vocational Rehabilitation costs, including evaluation and testing, incurred due to the purchase of vocational rehabilitation services from outside vendors as part of indemnity losses.
- For Employers Liability (Part II) coverage, include Defense and Cost Containment Expenses (DCCE) with the losses reported on the Calls.
- Report Extraordinary Loss Event (ELE) claims in the appropriate Calls where applicable for a given catastrophe number (#3, #3A, #5, #5A, #8, #14, #19, #20, #21, #26, #31, and #33). Refer to [Extraordinary Loss Event \(ELE\) Codes and Descriptions](#) on the Data Reporting, General Web page at ncci.com for a complete ELE listing, which includes the assigned unique catastrophe number and associated description for each event.
- For noncompensable and fraudulent claims, report loss amounts that are reflective of the losses in the insurers' systems.
- An accident for one claimant with reportable losses under both workers compensation and employers liability is reported as one claim, with combined loss experience.

Additionally, losses are split into indemnity and medical losses. When a claim involves a lump sum, the actual lump sum amount is subdivided according to indemnity and medical. If the subdivision between indemnity and medical is unknown or unspecified, use the case values prior to settlement adjustments to determine the prorated reported amount for indemnity and medical.

Corresponds with the rules outlined in NCCI's *Statistical Plan*



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Employers Liability

An accident for one claimant with reportable losses under both workers compensation and employers liability is reported as one claim, with combined loss experience:

Call 31 Example:

	Indemnity Paid	Medical Paid	Indemnity Case	Medical Case
Workers' Compensation Claim WC22008	10,000	20,000	5,000	30,000
Employers' Liability companion claim EL122008	5,000	8,000	3,000	10,000
Report the combined loss experience on the Calls	15,000	28,000	8,000	40,000

Part 5-B—Lump-Sum Settlement

- Losses are split into indemnity and medical losses
 - When a claim involves a lump sum, the actual lump-sum amount is subdivided according to indemnity and medical
 - If the subdivision between indemnity and medical is unknown or unspecified, use the case values prior to settlement adjustments to determine the prorated reported amount for indemnity and medical

Lump-Sum Settlement Example

Lump-sum settlement amount (subdivision is <i>unknown or unspecified</i> in the settlement) \$1,500,000		
Indemnity case value prior to the settlement	\$250,000	23%
Medical case value prior to the settlement	\$850,000	77%
Report prorated indemnity amount	\$1,500,000 x 23%	\$345,000
Report prorated medical amount	\$1,500,000 x 77%	\$1,155,000



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Part 5-B-2-a—Paid Losses



Financial Call Reporting Guidebook

2. Loss Categories

The following sections provide you with general definitions of the loss categories used in Financial Calls, which include Paid Losses and Case Reserves.

a. Paid Losses

Paid losses represent the amount actually paid by the insurance company, and are essential to NCCI's ratemaking process. There are three situations, however, that require special clarification—deductible policies, subrogations, and independent medical examinations:

- **Deductible Policies**—For deductible policies other than large policies in all states except Kentucky (and for large deductible policies in Calls where the reporting of large deductibles is required), all losses, including paid losses, should be reported by the insurance company gross of (i.e., "before the recovery of") losses ultimately paid by the insured. In Kentucky, deductibles are reported on a net basis (after the application of deductible reimbursements).
For further details on Deductible Policies, see the **Additional Requirements for Experience** section (Part 6) of this guidebook.
- **Subrogations and Other Recoveries**—In some instances, a carrier is able to recover some or all of the paid losses from a third party. Paid losses must be reduced by any losses recovered (actual, not anticipated) through subrogation or other recoveries, e.g., recoveries from a Second Injury Fund. While paid losses to date for an individual claim can be negative, under no circumstances should the claim's case incurred (paid + case) losses be negative. Furthermore, if the resulting aggregate paid amount for all claims is negative for any observation year, adjust as follows:
 1. Reduce the case outstanding amount for the observation year in question by the amount of negative paid
 2. Set the paid amount associated with the observation year equal to zero

The loss amount to be reported when there is subrogation (or a recovery) must be the net incurred loss, which is the gross incurred loss minus the amount recovered (reduced by recovery expenses). Subrogation and other recoveries should not be applied to Defense and Cost Containment Expense (DCCE).
- **Independent Medical Examination (IME)**—If an IME is required by an Industrial Board or Commission, it should be reported as a medical loss. If an IME is not required by an Industrial Board or Commission, it should be reported as a Defense and Cost Containment Expense (DCCE).

Deductible Policies Example

All states except Kentucky:

Policy has a deductible amount of:	\$1,000
Claim has medical loss amount (not including the deductible amount)	\$6,000
Report the total amount of (which is gross of the deductible amount of \$1,000)	[_____]

Kentucky—report on a net basis:

The net amount reported should be \$6,000.

Subrogation Examples

Ex. 1

Indemnity Paid loss amount \$10,000 – \$3,000 (actual subrogation received less subrogation expenses) = \$7,000 amount to be reported.

Ex. 2

If the aggregate paid amount for all claims is negative for an observation year:

- PY 2019 aggregate medical paid amount = \$–400,000
- PY 2019 aggregate medical case outstanding amount for the observation year = \$1,000,000

Then:

- Reduce the case outstanding \$1,000,000 – \$400,000 (negative paid amount) = \$600,000
- The paid amount for PY 2019 should be set to zero



Part 5-B-2-b—Case Reserves

- Subrogation in case reserves
- Discounting allowances and what to do if there is a change



Part 6—Additional Requirements

Categories:
a. Coal Mine Experience
b. Large Deductibles
c. Employers Liability Coverage
d. Excess Policies
e. Maritime and Federal Employers' Liability Act (FELA)
f. USL&HW Act
g. Other Types of Experiences



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Coal Mine Experience





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Call #	States Except Virginia						Texas	Virginia													
	OD—Black Lung			Traumatic and OD Other Than Black Lung			Traumatic and OD Other Than Black Lung	OD—Black Lung			Traumatic and OD Other Than Black Lung										
	Surface	Under-ground	Other	Surface	Under-ground	Other		Surface	Under-ground	Other	Surface	Under-ground									
													0156 0157	0158	0159 0164 9615	1005 1009 1019	1015 1016	1165	0156 0157	0158	0159 0161 0162
1B	X	X	X	X	X	X															
1C																					
1D	X	X	X	X	X	X															
3						X					X										
3A					X					X											
5					X					X											
5A					X					X											
8 (line 1)					X					X											
8 (line 4)	X	X	X		X				X	X	X	X	X	X	X	X	X	X	X	X	X
10					X																
10T										X											
14	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X
19	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
20					X																
21					X																
26					X																
31					X																
32A									X	X			X	X							
32V									X	X			X	X							
33									X	X			X	X							

- Part 6 lists all coal mine codes
- The “X” indicates whether that statistical code or classification code is included in the Call
- VA: Separate coal mine Calls

Deductible Policies—Large

Policies with a deductible amount of \$100,000 or more (except Oregon and Texas) per claim or accident or per aggregate	
<p>Oregon:</p>  <p>Deductible amount of \$75,000 or more per claim or accident or per aggregate</p>	<p>Texas:</p>  <p>Deductible amount of more than \$25,000 per claim or per accident or \$100,000 per aggregate</p>

Employers Liability Coverage

- Include all experience (premiums, losses, expenses)
- Include the additional premium for increased loss limits on employers liability coverage
- For DCCE associated with this coverage, include the DCCE with the losses reported in the Calls
- Expenses will be included in the losses reported in Row 1 of the Call 8 Reconciliation report but may not be included in the losses reported on your company’s NAIC annual statement

Excess Policies

Policies that cover loss above a specified threshold; however, carriers do not get involved until the loss amount exceeds the threshold.



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Include if:	Exclude in:
Excess Policies are included in Statutory Page 14, Line 16 of NAIC on Calls 1, 1A, 8, 14, 19, and 26	Financial Calls other than the Calls included

USL&HW

- Part 6 shows all F-classification codes

0763F	6006F	6801F	6803F	6824F	6825F	6826F
6827F	6828F	6829F	6843F	6845F	6846F	6869F
6872F	6873F	6874F	6875F	7309F	7313F	7317F
7323F	7327F	7350F	7352F	7366F	8709F	8711F
8726F	9077F					

- Federal (F) classification included in Calls:

Call	Call Name
1	Calendar Year Call for Workers Compensation Net Direct Written Premium
1A	Calendar Year Call for Direct Assignment Net Direct Written Premium
1B	Calendar Year Alternate Equivalent Premium Call
1C	Calendar Year Kansas Municipalities Premium Exclusion Call
1D	Calendar Year New Mexico Small Policy Exemption Call
6	Insurance Expense Exhibit (IEE)
8	Reconciliation Report
14	Calendar Year Expense Call
19	Accident Year Countrywide Loss Adjustment Expense
26	North Carolina Addendum for Call #19 Only

- Include experience for non-F class codes where USL&HW factor has been applied



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Maritime and Federal Employers' Liability Act (FELA)

- Part 6 shows all maritime and other FELA class codes

6702	6703	6704	7016	7019	7020	7024	7027	7028
7036	7037	7038	7039	7046	7047	7048	7049	7050
7051	7062	7069	7070	7076	7079	7088	7089	7090
7091	7094	7097	7098	7099	7131	7133	7134	7135
7151	7152	7153	7333	7335	7337	7394	7395	7398
8734	8737	8738	8805	8814	8815			

- Included in Calls 1, 1A, 1B, 1C, 1D, 6, 8 (reconciliation item), 14, 19, and 26 (addendum for Call 19 only)
- Exclude all Maritime experience and other FELA classification effective 01/01/03 and after from Calls:

Call	Call Name
3	Policy Year Call
3A	Policy Year—Assigned Risk Call
5	Calendar-Accident Year Call
5A	Calendar-Accident Year—Assigned Risk Call
10	Schedule Rating and Other Prospective Premium Adjustments Call
10T	Texas—Policy Year Call for Schedule Rating Modifications
20	Policy Year Large Deductible Call
21	Calendar-Accident Year Large Deductible Call
26	North Carolina Addendum (except for Addendum for Call 19)
31	Large Loss and Catastrophe Call

Other Types of Experience

- West Virginia Deliberate Intent (Mandolidis) Coverage: exclude any experience associated with this coverage
- Wrap-up policies: not large deductible, include in the Calls
- Domestic Worker Experience: include domestic worker in all Calls written under workers compensation and employers liability policies
 - Exclude if written under other liability insurance or if coverage is part of homeowners insurance



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Statistical Plan Loss Rules

If you can't find something in the *Financial Call Reporting Guidebook*, use the *Statistical Plan Manual*.

Example: Punitive Damages (Part 4-c, 5 and 6)

5. Awards

(Exceptions: [MO](#), [TX](#))

- a. When an award to a claimant includes the cost of witness fees, attorney fees, and other court costs, the amount awarded must be considered part of the cost of benefits and must be included as part of the incurred indemnity loss and paid indemnity loss as appropriate.
- b. With respect to claims brought by persons against whom an employee has brought a third party common law action, such special costs must be reported as an indemnity loss whether or not a recovery is made against the third party by the employee.

6. Penalties for Delays in Making Compensation Payments

(Exceptions: [FL](#), [ME](#), [TX](#))

a. Included in Indemnity Loss

If the carrier is liable for penalties for reasons beyond its control that accrue as benefits to the injured worker or to his or her dependents, the penalties must be reported as part of the incurred indemnity loss and paid indemnity loss as appropriate, e.g., for interest on awards or penalties imposed upon the employer for improper controversion of awards.

b. Excluded From Indemnity Loss

If the carrier is liable for penalties for any reason within its control that accrue as benefits to the injured worker or to his or her dependents, the penalties must be considered an unallocated claim expense, not included in the indemnity loss.

Chapter #3: Financial Call Claim Counts and DCCE

Claim Counts

- Incurred indemnity claim count is the accumulated number of claims for which an indemnity payment has been made and/or an outstanding indemnity loss reserve exists
- The status of a claim can either be “open” or “closed”

Indemnity Claim Count Example 1

Double Counting

Reopened Claims: Claim ABC—Closed in 2019 and Reopened in 2020	
Valuation 12/31/2019	Reported as Closed claim
Valuation 12/31/2020	Reported as an Open claim
Note: This is not a new claim—claim moved from Closed to Open; Total Claim Count doesn't change on Financial Calls.	

Indemnity Claim Count Example 2

Medical-Only Claims

Claim ABC—Opened in 2019 and Closed in 2020	
Valuation 12/31/2019	Reported as an open indemnity claim with indemnity case reserves of \$5,000
Valuation 12/31/2020	Claim closed as medical-only
Note: When reporting valuation 2020, an update would be needed to remove this claim from the Total Indemnity Claim Counts.	



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Expenses: DCCE and AOE

- Defense and Cost Containment Expense (DCCE)
 - Expenses for defense by the insurer in contentious situations for litigation involving a claim and for cost containment expense.
- Adjustment and Other Expenses (AOE)
 - Expenses that have been assigned to the Loss Adjusting Expense group in the Underwriting and Investment Exhibit of the NAIC Annual Statement, and they are other than those listed in Defense and Cost Containment Expense

Defense and Cost Containment Expense



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D. LOSS ADJUSTMENT EXPENSE (LAE)

Expenses associated with the recording, adjustment, and settlement of claims are called Loss Adjustment Expense.

Prior to 1998, LAE was reported as Allocated and Unallocated Loss Adjustment Expense (ALAE and ULAE).

Loss Adjustment Expense is divided into two types of expenses: (1) Defense and Cost Containment Expense (DCCE) and (2) Adjusting and Other Expenses.

1. **Defense and Cost Containment Expense**—Defense and Cost Containment Expense (DCCE) is defined as expenses for defense by the insurer in contentious situations (whether a first-party or third-party claim) for litigation involving a claim and for cost containment expense.

Examples of Defense and Cost Containment Expense include:

- Surveillance expenses.
- Fixed amounts for cost containment expenses.
- Case Management expenses for the purpose of managing the overall cost of a claim.
- Litigation management expenses.
- Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by accident year.
- Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors, and fraud investigators, if working in defense of a claim, and fees or salaries for rehabilitation nurses, if such costs are not included in the loss.
- Attorney fees incurred owing to a duty to defend, even when other coverage does not exist.
- Cost of engaging experts.
- Cost of an Independent Medical Examination (IME) unless the IME is required by an Industrial Board or Commission. If the IME is required by an Industrial Board or Commission, it is reported as a medical loss.

- Part 5 lists many examples of what is included in DCCE
- What is excluded in the expenses
 - Determination of coverage
 - Employers liability expenses



Resources

