



Data Now Program (DNP) Introduction to Financial Call Reporting

Chapter 1: Overview

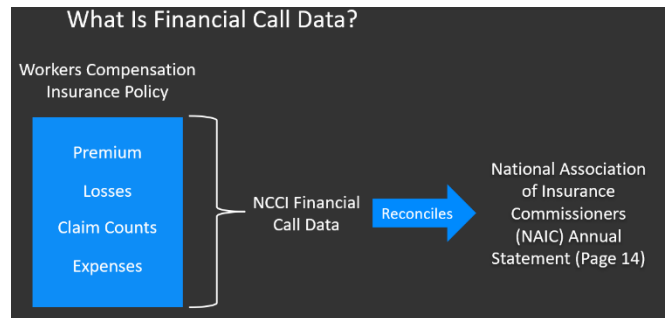
Key Takeaways

- Develop an understanding of Financial Call data
- Understand basic concepts for Financial Call reporting
- Identify benefits of implementing the workflow
- Identify resources to assist with Financial Call reporting

What Is Financial Call Data?

Request for data:

- Calls valued as of 12/31 of the prior year
- Summarized at Policy Year (32 years), Calendar-Accident Year (31 years), or Calendar-Year basis



What Does NCCI Collect?

Collects a total of 21 different types of Calls.

11	3	2	5	1
Primary Ratemaking Calls	State-Specific Calls	Supplemental Ratemaking Calls	Premium-Based Billing and Residual Market Calls	Compliance Form

Usage of Financial Call Data?

Financial Call data is used for:

- Ratemaking purposes for NCCI states
- Determines overall loss cost or rate changes for each state
- Market analysis and research
- State regulatory requests
- Pool billing and participation

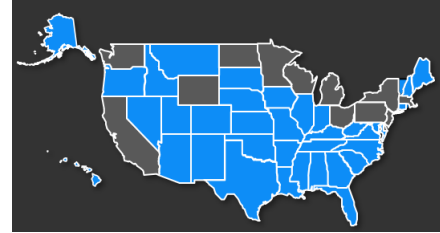


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Who Is Required to Report Financial Calls?

All companies that write workers compensation insurance in NCCI states:

- Carriers
- State funds
- Self-insured groups (Florida)



When Are the Calls Due?

- Most Financial Calls are due April 1
- Subject to **Aggregate Data Quality Incentive Program (ADQIP)**—Timeliness and Quality Assessments
- **Financial Call Reporting Guidebook**—Financial Call Reporting Schedule

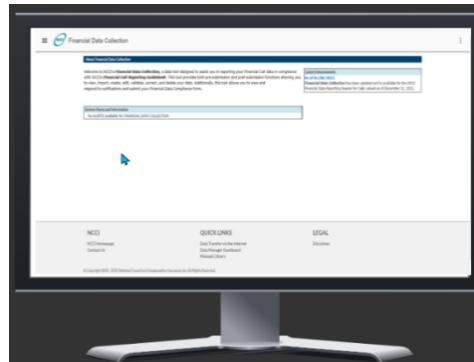
Financial Call Reporting Schedule—Form and Call Due Dates

Form/Call	Form/Call Name	Due Date	ADQP Timeliness Applicability	ADQP Quality Applicability
Form	Financial Data Compliance Form	4/1*	Yes	No
1	Calendar Year Call for Workers Compensation Net Direct Workers Premium	5/1	Yes	No
1A	Calendar Year Call for Direct Assignment Net Direct Workers Premium	3/15	No	No
1B	Calendar Year Alternate Equivalent Premium Call	3/15	No	No
1C	Calendar Year Kansas Municipalities Premium Exclusion Call	3/15	No	No
1D	Calendar Year New Mexico Small Policy Exemption Call	3/15	No	No
3	Policy Year Call	4/1	Yes	Yes
3A	Policy Year—Assigned Risk Call	4/1	Yes	Yes
5	Calendar—Accident Year Call	4/1	Yes	Yes
5A	Calendar—Accident Year—Assigned Risk Call	4/1	Yes	Yes
8	Reconciliation Report	4/1	Yes	Yes
10	Schedule Rating and Other Prospective Premium Adjustments Call	4/1	Yes	No
10T	Three—Policy Year Call for Schedule Rating Modifications	4/1	Yes	No
14	Calendar Year Expense Call	5/1	Yes	No
19	Accident Year Countrywide Loss Adjustment Expense	4/15**	Yes	No
20	Policy Year Large Deductible Call	4/1	Yes	Yes
21	Calendar—Accident Year Large Deductible Call	4/1	Yes	Yes
26	North Carolina Addendum for Calls #1, #5, and #10	5/1	Yes	No
31	Large Loss and Catastrophe Call	4/1	Yes	Yes
32A	Virginia Coal Mine Policy Year—Assigned Risk Call	4/1	Yes	Yes
32V	Virginia Coal Mine Policy Year—Voluntary Call	4/1	Yes	Yes
33	Virginia Coal Mine Large Loss and Catastrophe Call	4/1	Yes	Yes

How Do I Report the Data?

Financial Data Collection (FDC)

- Create
- Copy
- Validate
- Edit
- Submit



Resources on ncci.com

- **Financial Call Reporting Guidebook**
- Circulars
- **Data Quality Guidebook**
- **FDC** tool
- **Data Manager Dashboard**
- More resources on **ncci.com**
 - Learning Center
 - Publications/Reports Section

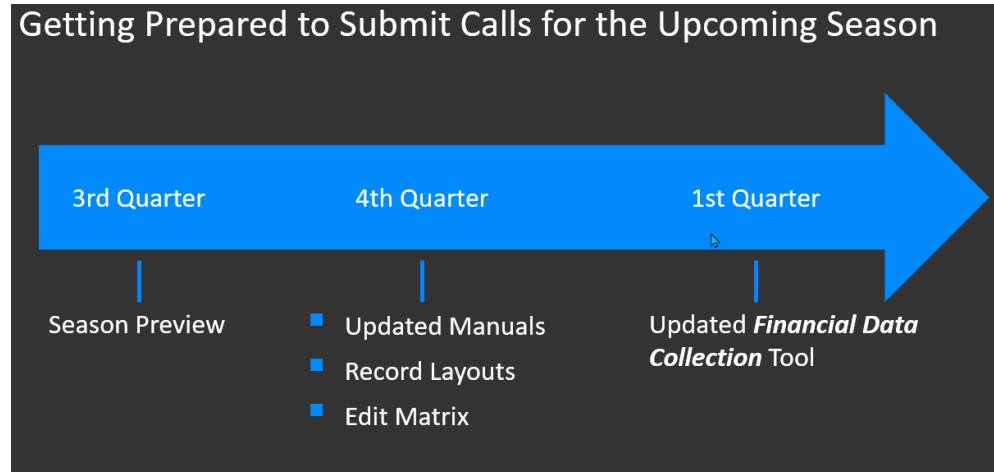


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Getting Started!

- Contact Customer Service for ID and/or access to tools, if applicable
- Sign up for Email Notifications: My Profile (ncci.com)
- Stay current
- Bring awareness of updates/changes

Getting Prepared to Submit Calls for the Upcoming Season



Chapter 2: Financial Call Reporting

Market Types

- Voluntary:
 - Insureds who can obtain coverage through insurance companies
- Assigned Risk:
 - Insureds who cannot acquire coverage in the voluntary market; coverage is through a state-assigned risk Plan or Pool

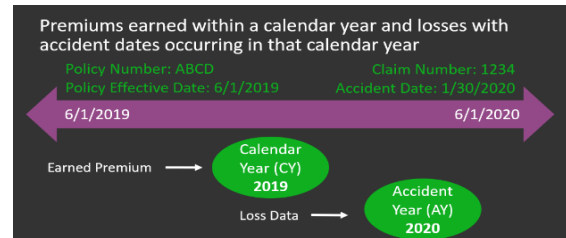
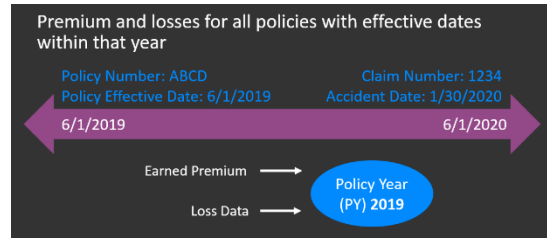
Statewide = Voluntary + Assigned Risk



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Primary Ratemaking Calls

- Policy Year
 - Policy Year (Call #3)
 - Assigned Risk (Call #3A)
 - Large Deductible (Call #20) Florida
 - Virginia Coal Mine—Voluntary (Call #32V)
 - Virginia Coal Mine—Assigned Risk (Call #32A)
- Calendar-Accident Year
 - Calendar-Accident Year (Call #5)
 - Assigned Risk (Call #5A)
 - Large Deductible—Florida (Call #21)
- Additional Primary Ratemaking Calls
 - Large Loss and Catastrophe (Call #31 and Call #33)
 - Reconciliation Report (Call #8)



State-Specific Calls

- Schedule Rating—Texas (Call #10T)
- Calendar Year Expense—Arizona, North Carolina, and Virginia (Call #14)
- Addendums—North Carolina (Call #26)

Supplemental Ratemaking Calls

- Schedule Rating/Other Prospective Premium Adjustments (Call #10)
- Accident Year Countrywide Loss Adjustment Expense (Call #19)

Premium-Based Billing and Residual Market Calls

- Net Direct Written Premium (Call #1)
- Direct Assignment Net Direct Written Premium (Call #1A)
- Alternate Equivalent Premium (Call #1B)
- Kansas Municipalities Premium Exclusion (Call #1C)
- New Mexico Small Policy Exemption (Call #1D)



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Compliance Form

Required if Calls #3 and #5 are reported.



Financial Call Reporting Resources

Financial Call Reporting Guidebook:



Additional Call Requirements



- Call data is reported to state of exposure regardless of Call type
- Calls are reported on a direct basis (total premiums received before considering reinsurance)
- Call data is valued as of December 31

State of Exposure—Example





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Ratemaking Call—Format

Financial Data Collection

State: ALABAMA Carrier Group: 22222-NCCI TEST ACCT 2 (INT USE ONLY (S_SYSTEM SUPPORT))
Valuation Date: 12/31/2021 Call: 3 Policy Year

Page 1 Page 2 Header Unlocked Save View Reset Unlock Validate

Policy Year	Policy Year Accumulated Earned Premium			Policy Year Accumulated Paid Losses		Policy Year Case Outstanding	
	Standard at NCCI Designated Stat. Reporting Level (1)	Standard at Company Level (2)	Net (3)	Indemnity (4)	Medical (5)	Indemnity (6)	Medical (7)
Prior to 1991							
1991							
1992							
1993							
1994							
1995							
1996							

Three Types of Premiums

Designated Statistical Premium (DSR)	Company Standard Premium	Net Premium
<ul style="list-style-type: none"> Premium earned using the appropriate NCCI-published rates or loss costs Used for ratemaking 	<ul style="list-style-type: none"> Earned premium using company's loss cost multipliers or rate deviations Before application of adjustments Used for Validation 	<ul style="list-style-type: none"> Actual earned premium After application of adjustments Calendar Year reconciles to NAIC Annual Statement

Premium Calculation Considerations

- State filings may vary:
 - Loss Costs
 - Rates
 - Combined (rates or loss costs)
- Treatment of premium components
- Different methods to calculate the DSR

Paid + Case Losses

- Two loss categories:
 - Indemnity—Replacement of lost wages
 - Medical—Medical care related to on-the-job injury
- Losses are broken down into:
 - Paid—Monies paid for claims, reported on an accumulated basis
 - Case Reserves—Monies set aside for future payments do not include IBNR or bulk reserves



Keep in mind, Medical Paid and/or Case Reserves on medical-only claims are included in the losses; however, this type of claim is **not** included in the indemnity claim count.




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Indemnity Claim Counts

Include	Exclude
<ul style="list-style-type: none"> ■ Claims with an indemnity paid, indemnity case reserve, or both ■ Open, closed, or reopened 	<ul style="list-style-type: none"> ■ Medical-only claims ■ Defense and Cost Containment Expense (DCCE)-only Claims ■ Claims closed with no payment

Defense and Cost Containment Expenses (DCCE)

- Loss Adjustment Expense:
 - Defense by coverage provider for litigation involving a claim
- Cost Containment Measures



Call #31—Large Loss and Catastrophe

Mark for Delete	Claim Number	Policy Number	Cat Nbr	Mkt Type	Policy Date	Accident Date	Cim Stus	Accumulated Paid Losses		Case Outstanding		Defense and Cost Containment Expense	
								Indemnity	Medical	Indemnity	Medical	Accumulated Paid	Case Outstanding
<input type="checkbox"/>	WC98745	CO1234	0	3	07/01/2020	10/08/2020	0	500,000	1,000,000	500,000	2,000,000	5,000	10,000

Market Type: 0 - Assigned Risk, 2 - Large Deductible, 3 - Voluntary Claim Status: 0 - Open, 1 - Closed, 2 - Re-Opened

Total incurred losses \geq \$500,000.

- Sum of Indemnity and Medical Paid + Case Reserves
- Report Large Deductible claims across states
- Include Extraordinary Loss Event (ELE) claims regardless of size of incurred amount
- Large loss claims are a subset of Statewide and Assigned Risk Calls



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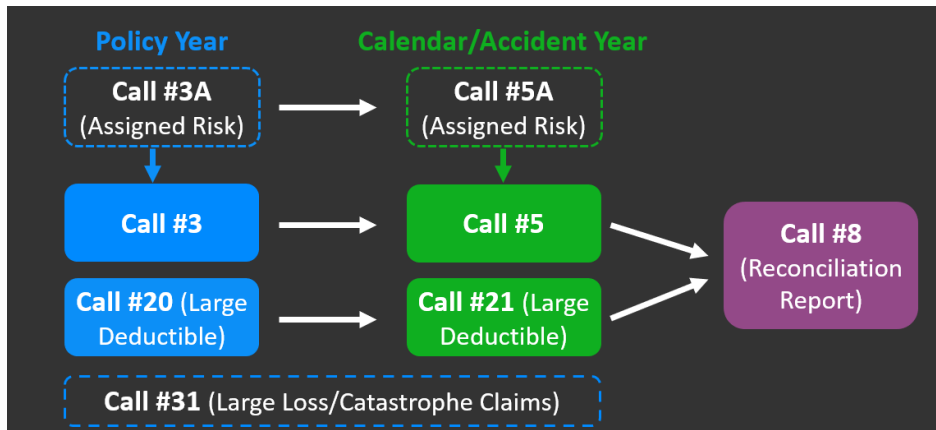
Call #8—Reconciliation Report

Used to reconcile Calendar Year data reported to NCCI versus what was reported on company's NAIC Annual Statement—Statutory Page 14.

	Direct Premium Earned (2)	Direct Losses Paid (3)	Direct Losses Incurred (3)	Direct Defense and Cost Containment Expense (DCE) Paid (4)
Data Reported to NCCI				
1 Industrial Classifications- Excluding Large Deductible Policies (Calendar- Accident Year Call #5 most recent reporting year, Column 3, Line Z, Columns 4 + 5 + 6 + 7, Line Z, Column 11)	0	0	0	0
Reconciliation Items				
2 F-Classifications- Including Large Deductible Policies on a Net Basis	0	0	0	0
3 Maritime and Other FFLA-Classifications- Including Large Deductible Policies on a Net Basis	0	0	0	0
4 Underground Coal Mine- Including Large Deductible Policies on a Net Basis (Virginia Exception: Underground and Surface Coal Mine)	0	0	0	0
5 National Defense Projects- Including Large Deductible Policies on a Net Basis	0	0	0	0
6 Large Deductible Policies on a Net Basis- Industrial Classifications	0	0	0	0
7 Small Deductible Policies- Difference between gross amounts reported to NCCI and net amounts reported on the NAIC Annual Statement (Identify Exception: then not applicable since net amounts reported to NCCI)	N/A	0	0	0
8 DCEB Policies	0	0	0	0
9 Loss Assessments Excluded from Losses Reported to NCCI	N/A	0	0	N/A
10 Incurred But Not Reported (IBNR) and Bulk Reserves	N/A	N/A	0	N/A
11 Catastrophe and Terrorism Provision Premium	0	N/A	N/A	N/A
12 Total [(2) + (3) + (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11)]	0	0	0	0
NAIC Annual Statement				
13 Exhibit of Premiums and Losses (Statutory Page 14 Data), Line 16	0	0	0	0
Difference—explain below				
14 Difference = (13) - (12)	0	0	0	0
Reason for Difference				
15 Premiums Earned*				
16 Losses Paid*				
17 Losses Incurred*				
18 Defense and Cost Containment Expense Paid**				

* An explanation is not necessary if the difference is between \$5,000 and \$5,000.
** An explanation is not necessary if the difference is between \$50,000 and \$50,000.

Data Connections Example—Florida





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Chapter 3: Workflow

Workflow Benefits

Streamline reporting:

- Accuracy
- Efficiency

Key Steps

- Carrier
 - Identify Expected Calls and Compliance Form—**Financial Call Reporting Guidebook**

Expected Financial Call Reporting Chart

Call No.	Required Reporting	Not Required	Reporting Exceptions
Calendar Year Call for Workers Compensation Net Direct Written Premium	<p>You are required to report Call #1 if:</p> <ul style="list-style-type: none"> You wrote workers compensation premium and you are an affiliated self-insured group/fund; or You wrote workers compensation premium and you did not report annual financial data to the National Association of Insurance Commissioners (NAIC). <p>Note: NCCI receives data from the NAIC in April and June. If the information needed for Call #1 is not included in the NAIC data received in April, you must report Call #1 to NCCI by the required due date.</p>	<p>You are not required to report Call #1 if you are a carrier who reports annual financial data to the NAIC for the current reporting year.</p> <p>Note: This "Not Required" condition is based on your company's data being included in the NAIC data that NCCI receives in April.</p>	<p>You may choose to report Call #1 if you reported your annual financial data to the NAIC but also wrote Uninsured Longshore and Harbor Workers' (USL&HW) Excess Coverage, or National Defense Plan or Defense Base Act policies as included in your NAIC Annual Statement, Line 16, Column 1; and you do not want Excess Coverage and National Defense Plan premiums included in either your Residual Market Pool participation or your NCCI premium-based billings.</p>
1A Calendar Year Call for Direct	<p>You are required to report Call #1A if you wrote residual market direct assignment policies and</p>	<p>You are not required to report Call #1A if:</p> <ul style="list-style-type: none"> You do not currently write 	None

Data Manager Dashboard

Summary Policy Unit DCI Financial Medical Indemnity Pool **Compliance** Tools and Information About

Compliance Programs - 33912- NCCI TRAINING PROPERTY AND CASUALTY CO

View Report

Call #1 Data

Valuation Year/Call Center	Total	Required	Missing	Final/Account
2020	24	0	24	\$0
2021	24	24	0	\$0
Financial Data Compliance Form	1	1	0	\$0
3 Policy Year	1	1	0	\$0
20212	2	2	0	\$0
3 Calendar Accident Year	1	1	0	\$0
3 Reconciliation Report	1	1	0	\$0
10 Annual Market and Other Prospective Premium Adjustments	1	1	0	\$0
107 Texas Supplemental Call	1	1	0	\$0
107 Courtwork Loss Adjustment Expense	1	1	0	\$0
107 Large Loss and Catastrophe Call	1	1	0	\$0

- Review and update carrier Deviations in the **FDC** tool—Carrier filed and approved rate Deviations or Loss Cost Multiplier (LCM) filing

Search Active Deviations

Active Deviations Filter

To view Active Deviation information, select Carrier Code, filter criteria, and click Search.

Carrier Code: 22222 - NCCI TEST ACCT 2 (INT USE ONLY...)

State: Georgia

Search Reset

Search Active Deviation Results

Edit	State	Active Flag	Carrier Code	Effective Date of Deviation	NCCI DSR Level Effective Date	Deviation Amount	Comments	Rolling Multiplier	Filed or Calculated
	GEORGIA		22222	03/01/2022	03/01/2022	0.250		N	F

- Create Calls—Create ALL Calls for a given state at one time

Create Financial Calls and Compliance Form

Note: Create ALL Calls for a Given State at One Time

- Create—Key in data
- Copy—Baseline using prior data from prior valuation
- Import—Uses record layout in CSV format

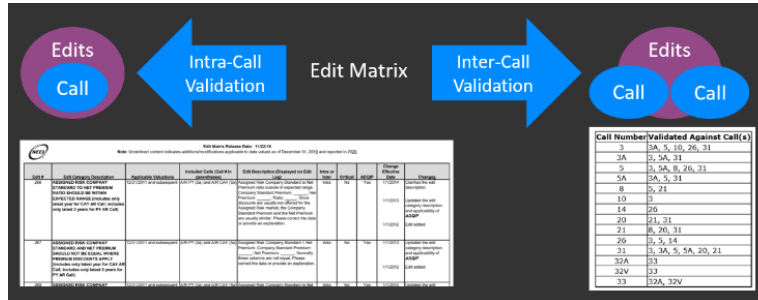
Publications and Training

- Reporting Guidebook
- Data Quality Guidebook
- Import Record Layouts
- Import Record Templates



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- Validate
 - Intra-Call validation—edits performed within a single Call
 - Inter-Call validation—edits performed comparing similar data input fields for Calls that are related



- Address Edits—Critical and non-critical edits

Address Edit Log

Critical Edits!	Non-Critical Edits
<ul style="list-style-type: none"> ▪ ≥ 1: Call/Form will reject ▪ Corrections required 	<ul style="list-style-type: none"> ▪ Detailed explanations or correction needed
<ul style="list-style-type: none"> ▪ Address all edits until they are resolved or explained ▪ Revalidate 	

- Submit Financial Call Data and Compliance Form

Submit Financial Call Data and the Compliance Form

- Most Calls and the Compliance Form are due April 1
- Subject to **ADQP** Timeliness and/or Quality Assessments

The screenshot shows a dropdown menu for 'Financial Data Collection'. The 'Call Data' option is expanded, showing a list of actions: Search Call Data, Create Call Data, Copy Call Data, Import Call Data, Export Call Data, Validate Call Data, and Submit Call Data.



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- Address Validation Inquiries

NCCI Validation	Carrier Response
<ul style="list-style-type: none">■ Actuarial Analysis■ Edit Validation and Notifications■ Data Comparisons	<ul style="list-style-type: none">■ Provide Explanations or Corrections■ Address by Due Dates Provided

- NCCI
 - Analyze and validate submitted data

When Is Data Available for Use?

- Financial Calls and Compliance Form submitted to NCCI
- Edit Notifications are resolved
- All additional Validation items are resolved

Workflow Recap

- Expected
- Deviations
- Create
- Validate
- Edits
- Submit
- Resolve