

November 19, 2018

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Indemnity Data Call

The Workers Compensation Committee has authorized the participation by the North Carolina Rate Bureau in a data collection program whereby workers compensation indemnity data will be collected from the Bureau's members and used for legislative analysis.

The data collection will be administered by NCCI in conjunction with a program they are implementing nationwide. Attached is NCCI's circular that was released on February 8, 2018.

Details on the data being collected, the criteria for reporting, and the processes for the indemnity data call can be found on NCCI's website at:

https://www.ncci.com/Articles/Pages/DR_NewIndemnity_DataCall.aspx

The initial reporting will be for indemnity transactions occurring in the 2nd quarter of 2020, which will be due to NCCI by the end of the 3rd quarter of 2020.

If you have questions, contact the NCRB Information Center at 919-582-1056 or via email at support@ncrb.org.

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:amt
Attachments
C-18-28



FEBRUARY 8, 2018

INDEMNITY CALL

IND-2018-01

Indemnity Data Call—New Indemnity Data Call Effective Second Quarter 2020

ACTION NEEDED

This circular announces the new NCCI Indemnity Data Call, which will begin with Indemnity claim activity occurring in Second Quarter 2020, due to be reported to NCCI by the end of Third Quarter 2020.

The Indemnity Data Call will include two separate reporting records (Transactional Record and Quarterly Record). The majority of data elements are currently reported in Detailed Claim Information and/or Unit Statistical.

This circular includes two attachments that further explain the new Call:

- Attachment A—Indemnity Data Call Overview
- Attachment B—Indemnity Data Call Data Elements, which provides key details for each data element, including whether they are current or new

Indemnity Data Call participation will be based on affiliate groups that have at least 1% market share in any one applicable NCCI state over the most recent three years (overall average equals 1% or more). For affiliate groups that are identified as required participants, letters will be sent to each company in March 2018. These letters will be directed to the contract signer of your NCCI Affiliation Agreement.

BACKGROUND

Legislative pricing is a core responsibility of NCCI, and our ability to fulfill that role is compromised by the lack of sufficient indemnity claims data. To properly support legislative pricing activities focused on indemnity benefits, NCCI requires more current, comprehensive, and transactional indemnity data. The data currently utilized for indemnity legislative pricing is not sufficiently robust to effectively measure the impacts of all proposed changes. As a result, NCCI is unable to price certain components of legislative proposals, and, at times, entire bills are not quantified.

The new Indemnity Data Call is intended to provide the source data that would primarily be used for legislative pricings related to indemnity benefits. In early 2017, NCCI presented the business need for a new indemnity data collection program to NCCI's Board of Directors. The Board direction was to continue the exploration of this proposal and to engage our NCCI industry committees in the process.

Throughout 2017, NCCI worked with the Actuarial Committee and Data Collection Procedures (DCP) Subcommittee and their appointed working groups on various aspects of the indemnity data program concept—including validation of the business need and development of the model Indemnity Data Call (participation criteria, data elements, code values, reporting rules, industry cost estimates, implementation lead time, etc.).

At the January 2018 meeting of the NCCI Board of Directors, NCCI presented the Indemnity Data Call proposal, in addition to supplementary materials that included the results of expanded data provider outreach. After careful consideration, the Board voted for the adoption of the new Indemnity Data Call.

IMPACT

The Indemnity Data Call lead time will be 24–30 months, starting with the release of the *Indemnity Data Call Implementation Guide*, which will be available by April 2018. The 24–30 months lead time is defined as follows:

- 24 Months—Second Quarter 2020 indemnity data (initial evaluation quarter)
- 30 Months—Reporting begins in Third Quarter 2020 (Second Quarter 2020 indemnity data)

For this initial Indemnity Data Call (IND series) circular, email notifications have been sent to individuals who currently receive Unit Statistical and/or Detailed Claim Information circular email notifications. Email notifications can be managed by following these three steps:

1. From the top of the home page on **ncci.com**, access **My Profile**
2. Click **My Email Notifications**
3. Select the **Circulars** tab, check (or uncheck) the **Indemnity Call Circulars** notification box, and then click the **Save** button

Also, NCCI will work with the Workers Compensation Insurance Organizations (WCIO) to add the Indemnity Data Call reporting standard to the *WCIO Workers Compensation Data Specifications Manual*. This will enable the reporting standards, record layouts, and coding values to be established and maintained on a going-forward basis as the industry standard for this new data type.

NCCI ACTION

Below is the timeline of Indemnity Data Call activity that will occur over the next year.

February 2018

- **Industry Announcement**—Released Circular IND-2018-01, which announced the new Indemnity Data Call and provided an overview of the Call and listing of data elements

March–April 2018

- **Contact Reporting Companies**—NCCI will send letters to affiliate groups that meet the Indemnity Data Call eligibility requirements. The participation threshold will be based on affiliate groups with at least 1% market share in any one NCCI state over the most recent three years (overall average = 1% or more), based on 2014–2016 premiums. These letters will request that each affiliate group identify a designated Indemnity Data Call primary contact.
- **Indemnity Data Call Section on ncci.com**—A new Indemnity Data Call section will be added to the Data Reporting page on **ncci.com**. This will reside in the public domain so that all data reporters (including service providers such as TPAs) will have direct access to this information.
- **Implementation Guide**—The *Indemnity Data Call Implementation Guide* will be available on the Indemnity Data Call section on **ncci.com**. This Guide will include reporting requirements, flat-file record layouts, a data dictionary, coding values, and more.
- **Indemnity Data Call Web Article**—Concurrent with the new section on **ncci.com**, an Indemnity Data Call Web article will be posted and will be continually refreshed with information as it becomes available.
- **Webinar on Demand**—The initial Indemnity Data Call Webinar on Demand training module will be available on the Indemnity Data Call section on **ncci.com**. This will provide an overview of the new program's features.

Third–Fourth Quarter 2018

- The Indemnity Data Call Web page will continue to be updated with the latest information

January 2019

- **Data Educational Program**—Starting with the 2019 *Data Educational Program*, Indemnity Data Call classes will be provided during this annual training event at the Palm Beach County Convention Center

**PERSON TO
CONTACT**

If you have any general data reporting questions, contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123) and select **Option 6**, or email us at data@ncci.com. We are here to assist you Monday through Friday, 8:00 a.m.–8:00 p.m. ET.



Indemnity Data Call Overview

Circular IND-2018-01—Attachment A

Indemnity Data Call Web Section on ncci.com

In April 2018, the new Indemnity Data Call section will be added to the Data Reporting page on ncci.com. This will reside in the public domain to ensure that all Indemnity Data Call information is accessible to everyone, including carrier service providers such as TPAs.

Implementation Guide

Also in April 2018, the *Indemnity Data Call Implementation Guide* will be available on the Indemnity Data Call Web page on ncci.com. This Guide will include reporting requirements, flat-file record layouts, data dictionary, coding values, and more.

Data Elements

The Indemnity Data Call includes 47 data elements, with 32 elements currently reported in Detailed Claim Information and/or Unit Statistical and the remainder being new data elements. Current and New data elements are identified in this circular (Indemnity Data Call Data Elements—Attachment B).

States Included

All NCCI states will be included in the Indemnity Data Call.

Independent Bureaus

NCCI has kept all independent bureau jurisdictions informed on the progress of development of the Indemnity Data Call. For independent bureaus that elect to participate, they may collect the data directly, or, alternatively, NCCI will offer to collect on behalf of the industry for each bureau.

Reporting Periods/Frequency

Indemnity claims will be evaluated and submitted on a quarterly basis. Submissions will be due by the end of the following quarter (for example 3rd quarter claims/transactions would be due by the end of 4th quarter).

Carrier Group Participation

Indemnity Data Call participation will be based on affiliate groups that have at least 1% market share in any one applicable NCCI state over the most recent three years (overall average equals 1% or more).

NCCI will identify and contact IDC reporters in March 2018 to inform them of this new reporting requirement.

Note: These are the same participation requirements that were established for the Medical Data Call.

Reporting Responsibility

Data providers will be required to submit indemnity data in standard electronic record layouts that will be provided in the *Indemnity Data Call Implementation Guide*.

Carriers may report directly to NCCI, or they may authorize their business partners to report indemnity data directly to NCCI.

Electronic certification testing will be required for all data reporters.

Indemnity Data Call Reporting

The Indemnity Data Call includes the following two separate record layouts:

- **Transactional Record**—Includes 6 Header/Link data elements, 3 Processing/Control data elements, and 8 Transactional claim data elements.
- **Quarterly Record**—Includes 6 Header/Link data elements and 30 Quarterly claim data elements.

Reporting Triggers

The triggers to prompt the reporting of Transactional and Quarterly records are defined as follows:

- **Transactional Reporting**—When payment transactions occur within a specific quarter.
- **Quarterly Reporting**—When any of the following amounts change from the prior quarter:
 - Indemnity-Paid-to-Date
 - Incurred Indemnity Amount Total
 - Medical-Paid-to-Date
 - Incurred Medical Amount
 - ALAE Paid

Code Values

For each data element, code values will utilize existing industry standards wherever possible. These include the code values from existing data types (Unit Statistical, etc.). For the new data elements, the code values will leverage existing workers compensation code standards where practicable.

Data Editing

The editing strategy will be based upon the level of acceptability of the overall submission. Edits will be gradually phased in over time, based on the specific data element.

Compliance Program

After Indemnity Data Call reporting has been in place for some period, a compliance program will be gradually implemented.

Industry Lead Time

Based on release of the *Indemnity Data Call Implementation Guide*, 24–30 months of lead time will be provided before reporting will begin. Six additional months of lead time will be provided for Benefit Offset Code for “Other” and the associated Benefit Offset Amount, Pre-Existing Disability Percentage, and Temporary Disability Benefit Extinguishment Code.

Call for Detailed Claim Information (DCI) Sunset

NCCI’s intent is to sunset the current DCI reporting program after we begin the collection of the Indemnity Data Call. The specific details are still being determined and will be part of future industry communications.



**Indemnity Data Call Data Elements
Circular IND-2018-01—Attachment B**

This table provides all the data elements contained in the Indemnity Data Call’s Transactional and Quarterly Records. Column 1 provides the data element name, Column 2 identifies which Record Type applies (Transactional and/or Quarterly), Column 3 provides the data element definition, and Column 4 identifies if the data element is currently reported in DCI and/or Unit Statistical (Current), or is a new data element (New).

Data Element Table			
Data Element	Record Type	Definition	Current or New
Carrier Code	Transactional and Quarterly	The carrier code assigned to the carrier by NCCI. (Key Data Element)	Current (Unit and DCI)
Policy Number Identifier	Transactional and Quarterly	The unique set of numbers and/or letters that identifies the policy under which the claim occurred. (Key Data Element)	Current (Unit and DCI)
Policy Effective Date	Transactional and Quarterly	The date the policy under which the claim occurred became effective. (Key Data Element)	Current (Unit and DCI)
Claim Number Identifier	Transactional and Quarterly	The unique set of numbers and/or letters that identifies the specific claim to which the report/transaction applies. (Key Data Element)	Current (Unit and DCI)
Accident Date	Transactional and Quarterly	The month, day, and year on which the injury occurred. (Key Data Element)	Current (Unit and DCI)
Jurisdiction State Code	Transactional and Quarterly	Code that corresponds to the jurisdiction under whose WC Act or Employers Liability Act the claimant’s benefits are being paid. (Key Data Element)	Current (Unit and DCI)
Record Type Code	Transactional and Quarterly	Code that identifies the record being submitted is a Transactional Record. (Processing Data Element)	New
Transaction Date	Transactional and Quarterly	The date the transaction was established by the original source of the data. (Processing Data Element)	New
Transaction Code	Transactional	Code that identifies the type of transaction being submitted (e.g., Original, Cancellation/Void, or Replacement). (Processing Data Element)	New



**Indemnity Data Call Data Elements
Circular IND-2018-01—Attachment B**

Data Element Table			
Data Element	Record Type	Definition	Current or New
Transaction Identifier	Transactional	Code that is used to identify an individual transaction. This will be used to identify a specific individual transaction that is canceled or replaced. There are two methods for reporting a canceled or replaced transaction, as follows: <ul style="list-style-type: none"> • Option 1—Use the Transaction ID Code for all original transactions and to report a corresponding canceled or replaced transaction. • Option 2—Never report the Transaction ID Code. Report an original transaction with a negative Transaction Amount with the same Benefit Type Code, Transaction From Date, and Transaction to Date. (Processing Data Element) 	New
Transaction From Date	Transactional	The first date of the uninterrupted period corresponding to the paid indemnity amount for a particular Benefit Type Code.	New
Transaction to Date	Transactional	The last date of the uninterrupted period corresponding to the paid indemnity amount for a particular Benefit Type Code.	New
Transaction Amount	Transactional	Amount of the financial transaction being submitted; may be negative (e.g., to reflect overpayments).	Current (DCI)
Benefit Type Code	Transactional	Code that corresponds to the type of benefits paid to the claimant, including recovery reimbursement amounts paid.	Current (DCI)
Lump Sum Indicator	Transactional	Indicates when an indemnity benefit payment to a claimant is made in the form of a lump sum. A key purpose of this field is to identify situations where a transaction “from” and “to” date are not available.	New



**Indemnity Data Call Data Elements
Circular IND-2018-01—Attachment B**

Data Element Table			
Data Element	Record Type	Definition	Current or New
Benefit Offset Code	Transactional	Code that indicates that the claim has an offset for payments/contributions from another source.	New
Benefit Offset Amount	Transactional	The amount of the benefit offset applied as a result of payments from another source (i.e., the gross benefit amount had there not been any payments/contributions from another source less the Paid Indemnity Amount).	New
Weekly Benefit Amount	Transactional	The weekly benefit amount, per the applicable state’s approved minimums and maximums, underlying the periodic payment to the claimant for the corresponding Benefit Type Code.	Current (DCI)
Claimant Gender Code	Quarterly	Code that corresponds to the claimant’s gender.	Current (DCI)
Birth Year	Quarterly	Claimant’s actual or estimated year of birth. Report the year the claimant was born.	Current (DCI)
Hire Date	Quarterly	The date the claimant began his or her most recent employment with the employer.	New
Employment Status Code	Quarterly	Code that indicates the employee’s primary work status at the time of the injury with the covered employer.	New
Closing Date	Quarterly	The date the claim was closed (e.g., further indemnity or medical payments are not expected), the judgment date, or the date an agreement was made as to the final amount paid.	Current (DCI)
Reopen Date	Quarterly	Date claim is reopened as defined by the carrier.	New



**Indemnity Data Call Data Elements
Circular IND-2018-01—Attachment B**

Data Element Table			
Data Element	Record Type	Definition	Current or New
Maximum Medical Improvement (MMI) Date	Quarterly	The date after which further recovery from or lasting improvements to an injury or disease can no longer be anticipated based on reasonable medical probability, or as defined in the state by statute or case law; report only for permanent disability claims.	Current (DCI)
Reported to Insurer Date	Quarterly	The date the claim was originally reported to the insurer.	Current (DCI)
Accident State Code	Quarterly	Code that corresponds to the state or foreign location where the claimant was injured or contracted an occupational disease.	Current (DCI)
Attorney or Authorized Representative Indicator	Quarterly	Indicates whether or not the claimant has an attorney or authorized representative.	Current (DCI)
Method of Determining Pre-injury/Average Weekly Wage Code	Quarterly	Code that corresponds to the method used to determine the pre-injury/average weekly wage.	Current (DCI)
Impairment Percentage Basis Code	Quarterly	Code that corresponds to whether the reported Impairment Percentage was based on the whole body or part of body.	Current (DCI)
Impairment Percentage	Quarterly	The actual, final impairment rating of a claim (i.e., medical assessment of claimant's post-MMI functionality), expressed as a percentage.	Current (DCI)



**Indemnity Data Call Data Elements
Circular IND-2018-01—Attachment B**

Data Element Table			
Data Element	Record Type	Definition	Current or New
Loss of Earnings Capacity (LOEC)/Disability Percentage	Quarterly	<p>In states where PPD benefits are based on a formal assessment of the claimant's LOEC post-MMI, the actual, final LOEC of a claim, expressed as a percentage, which underlies the benefits paid. Implementation guide would include a listing of states where a LOEC assessment is required.</p> <p>In states where additional factors beyond impairment rating are considered in determining disability (e.g., age, education, ability to be retrained, residual physical capacity, etc.), the actual, final disability rating of a claim, expressed as a percentage, which underlies the benefits paid. Implementation guide would include a listing of states where a disability rating is required.</p>	New
Pre-Existing Disability Percentage	Quarterly	Pre-existing disability percentage contemplated in the determination of claimant's permanent disability benefits.	New
Part of Body Code—Injury Description	Quarterly	A code that corresponds to the part of the claimant's body that sustained the injury.	Current (Unit and DCI)
Nature of Injury Code—Injury Description	Quarterly	A code that corresponds to the nature of the injury sustained by the claimant.	Current (Unit and DCI)
Cause of Injury Code—Injury Description	Quarterly	A code that corresponds to the cause of injury sustained by the claimant.	Current (Unit and DCI)
Act—Loss Condition Code	Quarterly	Code that identifies the Act or Law governing the basis of liability for the claim (e.g., State Act, Federal Act excluding USL&HW and Federal Black Lung, USL&HW, Federal Black Lung, etc.).	Current (Unit)
Type of Settlement—Loss Condition Code	Quarterly	Code that identifies the type of claim settlement, if applicable.	Current (Unit)
Medical Extinguishment Indicator	Quarterly	Indicates if future medical liabilities are extinguished based on a lump sum settlement agreement.	Current (DCI)



**Indemnity Data Call Data Elements
Circular IND-2018-01—Attachment B**

Data Element Table			
Data Element	Record Type	Definition	Current or New
Temporary Disability Benefit Extinguishment Code	Quarterly	A code that corresponds to the reason why temporary disability benefits were terminated.	New
Indemnity Paid-To-Date	Quarterly	The inception-to-date amount of all indemnity payments for the claim, net of recoveries received.	Current (Unit and DCI)
Medical Paid-To-Date	Quarterly	The inception-to-date amount of all medical payments for the claim, net of recoveries received.	Current (Unit and DCI)
Incurred Indemnity Amount Total	Quarterly	The amount of inception paid-to-date and current indemnity case reserves, excluding loss adjustment expenses, as of the quarter end date, net of recoveries received.	Current (Unit and DCI)
Incurred Medical Amount Total	Quarterly	The amount of inception paid-to-date and current medical case reserves for physicians, hospitals, drugs, physical medicine, and other related services and supplies, excluding loss adjustment expenses, as of the quarter end date, net of recoveries received.	Current (Unit and DCI)
Employer Legal Amount Paid	Quarterly	The cumulative amount paid by the employer or insurer for the services of an attorney or authorized representative to defend against a proceeding brought under the WC or Employers Liability Acts, net of recoveries received.	Current (DCI)
Allocated Loss Adjustment Expense (ALAE) Paid	Quarterly	The cumulative amount of all ALAE paid for the specific claim, net of recoveries.	Current (Unit)
Pre-Injury/Average Weekly Wage Amount	Quarterly	The average weekly wage of the claimant or deceased worker at time of injury, as defined by state law.	Current (DCI)