



Data Now Program (DNP)  
**Unit Statistical: Complex Exposure, Premium, and  
 Federal Coverage Reporting**

## Key Takeaways

- Special circumstances require special reporting
- Refer to your resources for details
- Don't forget to check for state special rules

## Resources

- ***Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)***
- ***Unit Statistical Reporting Guidebook***

## Focus—National Rules

This course provides mainly national rules and reporting requirements. You must refer to the ***Statistical Plan*** for specific state rules.

## Chapter 1: Statistical Codes

Statistical codes identify credits or debits that modify premium based on state-approved pricing programs.

### Statistical Code Example

Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date
Managed Care	9874	Credit (-)	CO	03/01/1993	
Managed Care	9874	Credit (-)	FL	06/01/1994	07/1/1996
Managed Care	9874	Credit (-)	MO	01/01/1993	
Managed Care	9874	Credit (-)	NH	01/01/1994 Voluntary Only	

- NCCI files managed care premium credit programs and statistical codes in multiple states
- Data reporters use the statistical codes to report managed care in applicable states
- Refer to Part 6-E. Statistical Codes in the ***Statistical Plan***, NCCI's ***Basic Manual*** shows premium determination for most statistical codes

## Statistical Code Tables

Statistical codes are separated into three tables, based on the premium algorithm that determines how premium is calculated:

- Subject to Experience Rating (Part 6-E-1)
- Not Subject to Experience Rating (Part 6-E-2)
- Not Part of Standard Premium (Part 6-E-3)



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### Independent Carrier Filing

Use the independent carrier filing statistical code based on the premium algorithm and whether the premium is a credit or debit:

Statistical Code	Premium Adjustment	Placement
9721	Credit	Subject to Experience Rating
9722	Credit	Not Subject to Experience Rating
9655	Credit	Not Part of Standard Premium

Statistical Code	Premium Adjustment	Placement
9723	Debit	Subject to Experience Rating
9724	Debit	Not Subject to Experience Rating
9656	Debit	Not Part of Standard Premium

### Deductible Premium Credits

The same statistical codes are used for both NCCI-filed and independent carrier-filed programs:

Statistical Code	Placement
9663	Not Subject to Experience Rating
9664	Subject to Experience Rating
9657	Not Part of Standard Premium

### Schedule Rating Credits or Debits

#### NCCI-Filed and Insurer-Filed Programs

The same statistical codes are used for both NCCI-filed and independent carrier-filed programs:

Statistical Code	Premium Adjustment	Placement
9887	Credit	Not Subject to Experience Rating
9889	Debit	Not Subject to Experience Rating



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### Insurer-Filed Programs—West Virginia Only

In West Virginia, the Schedule Rating programs have additional statistical codes for Not Part of Standard Premium. These are insurer filed only programs.

Statistical Code	Premium Adjustment	Placement
9750	Credit	Not Part of Standard Premium
9751	Debit	Not Part of Standard Premium

### Company Use Only Codes

- NCCI has several codes that can be used in carrier’s system for their internal use
- These codes are NOT reported to NCCI
- The company use only codes can be found in the ***Unit Statistical Reporting Guidebook***

### Taxes and Assessments

- Not premium
- Do not report unless a designated Statistical Code exists
- Refer to NCCI’s ***Tax and Assessment Directory*** on [ncci.com](http://ncci.com)

The screenshot shows the NCCI website interface. At the top, there is a navigation bar with tabs for Data Reporting, Industry Information, Residual Markets, Underwriting, Agents/Brokers, and Insights. Below this, there is a banner for the 'Annual Insights Symposium 2024' with a 'SAVE THE DATE' button. The main content area is organized into three columns: TOOLS, RESOURCES, and REGULATORY & LEGISLATIVE ACTIVITIES. In the TOOLS section, the 'Tax and Assessment Directory (TAAD)' link is highlighted with a red box. Other links in the TOOLS section include Aggregate Loss Factors on Demand, Annual Statistical Bulletin, Circulares, Claims Data Dashboard, Class Look-Up, Excess Loss Factors, Loss Development Exhibits, Manuals Library, Residual Market Expiration List, State Insight, and WorkComp Workstation. The RESOURCES section includes State Advisory Resources (Updated), Claims Analysis Resources, Experience Rating Plan Methodology Update, and Ratemaking and Actuarial Resources. The REGULATORY & LEGISLATIVE ACTIVITIES section includes 2023 COVID-19 Regulatory and Legislative Activity (PDF), Legislative Activity, 2023 Regulatory and Legislative Trends, Terrorism Risk Insurance Act, and Federal Issues. There is also a 'Complete Listing' link and a 'COMMITTEES' section.

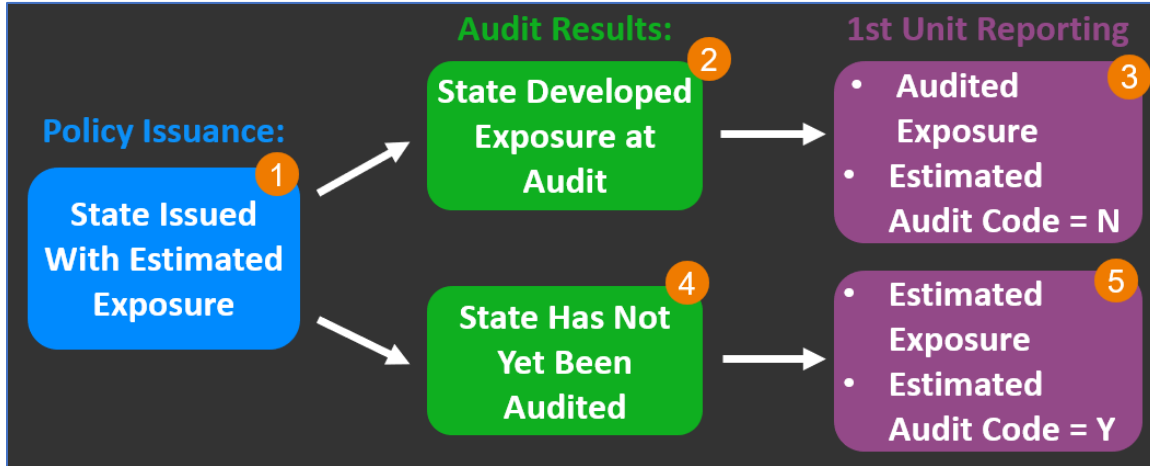


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**Chapter 2: Single-State and Multistate Policies**

**Single-State Policies**

**Single-State Policy Life Cycle**



1. When a policy is written, it is issued with estimated exposure
2. After the policy expires, an audit is completed to determine the actual exposure
3. If the policy develops exposure at audit, report the audited exposure and losses, report the Estimated Audit Code with an "N" for no
4. If the audit has not ben completed by the 1st report
5. Report the unit data with the estimated exposure amounts and an "Y" for the Estimate Audit Code

**Note:** Once the audit is complete, submit a correction report to update the exposure and corresponding premium, and change the Estimated Audit Code to "N".

**No Exposure Developed at Audit**

Submit 1st report with Statistical Code 1111—No Exposure Developed and Estimate Audit Code as "N"



**Expense Constant and Balance to Minimum Premium**

If applicable to the policy report Expense Constant (Code 0900) and Balance to Minimum Premium (Code 0990).



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### Single-State Policy Example

**Florida Policy Issued**

	Estimated Exposure	Rate	Premium
Class Code 6834	\$30,000	3.33	\$999
Expense Constant Code 0900	\$0	0.00	\$160
 Total			 \$1,159

The minimum premium in this example is \$493. The total premium is higher, Balance to Minimum Premium is required.

**Florida Policy at Audit**

No exposure developed in Class Code 6834 at audit. Minimum premium for this example is \$493.

	Audited Exposure	Rate	Premium
Class Code 6834	\$0	3.33	\$0
Expense Constant	\$0	0.00	\$160
Balance to Minimum Premium	\$0	0.00	
 Total			 \$493

Question: What is the Balance to Minimum Premium needed to reach \$493? \_\_\_\_\_

**Unit Report**

Exposure Act	Class	Exposure	Manual Rate	Premium	Mod	Mod Effective Date	Rate Effective Date
00					0.000	1/1/22	1/1/22
00					0.000	1/1/22	1/1/22
00					0.000	1/1/22	1/1/22

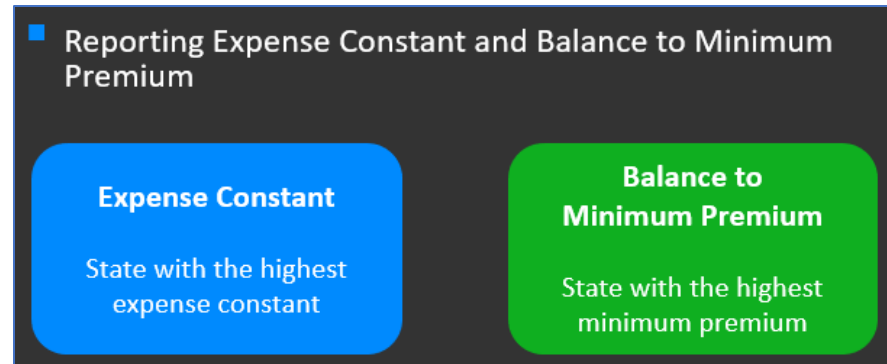


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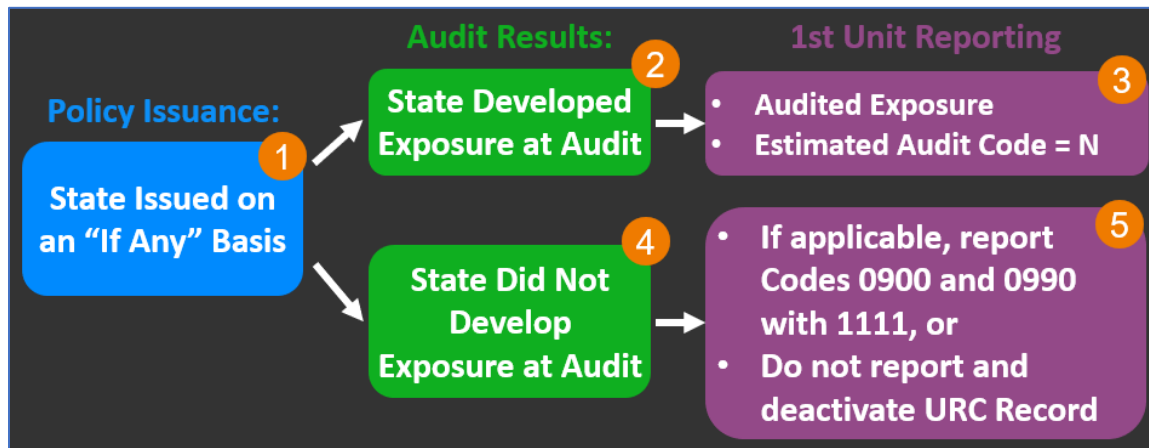
## Multistate Policy

Multistate policies have basic reporting rules like single-state policies, but with some additional concepts.

### Expense Constant and Balance to Minimum Premium



### Multistate Policy—“if any” basis



1. When a state on the policy was reported with zero exposure and at least one dollar was reported on the State Premium record
2. If the state developed exposure at audit
3. First report is submitted with the audited exposure and the Estimated Audi Code as “N”
4. If the state did not develop exposure at audit and the expense constant and/or balance to minimum premium applied to that state
5. The unit is reported with either or both corresponding codes, but if neither apply:
  - a. Do not report the unit
  - b. Deactivate the URC record—NCCI will not continue to expect the unit



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**Multistate Policy Example**

**Expense Constant and Balance to Minimum Premium**

State	Expense Constant	Minimum Premium
AL	150	500
FL	175	750
GA	200	600
SC	100	300

What state do we report the Expense Constant? \_\_\_\_\_

What state do we report the Balance to Minimum Premium? \_\_\_\_\_

**Policy at Audit**

State	Exposure	Premium
AL	\$20,000	\$100
FL	\$0	\$0
GA	\$0	\$0
SC	\$30,000	\$200



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**Unit Reporting**

■ Georgia

Exposure Act	Class	Exposure	Manual Rate	Premium	Mod	Mod Effective Date	Rate Effective Date
00					0.000	1/1/22	1/1/22
00					0.000	1/1/22	1/1/22

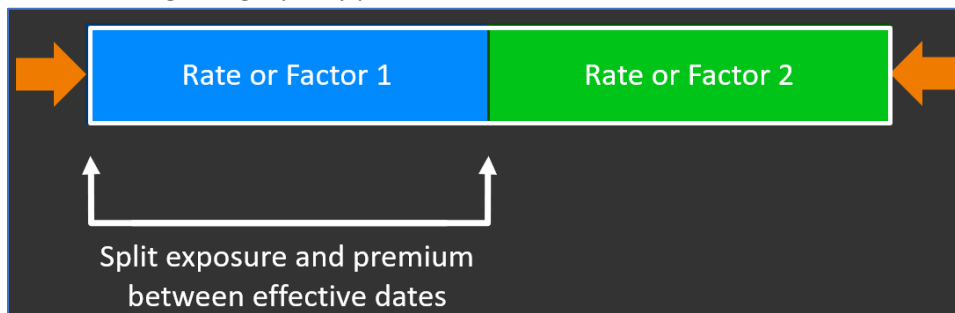
■ Florida

Exposure Act	Class	Exposure	Manual Rate	Premium	Mod	Mod Effective Date	Rate Effective Date
00					0.000	1/1/22	1/1/22
00					0.000	1/1/22	1/1/22

### Chapter 3: Split Periods

#### What Is a Split Period?

- Split periods occur when multiple rates or experience modification factors are applicable to an insured during a single policy period



- Classification and statistical code exposure and premium are split between:
  - Multiple Rate Effective Dates
  - Multiple Experience Modification Effective Dates





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**Reasons for Split Periods**

For Multiple Rate Effective Dates:

- Law-only filing that occurred in a state and it applied to outstanding policies. In this case, NCCI submitted a filing to adjust the state benefits that result in changes to the rates.
- Carrier’s approved adoption date of their rate filing was different from NCCI’s approved rate filing for a specific state. This causes the rate effective date to be different than the policy effective date.

For Multiple Experience Modification Effective Dates:

- Application of late experience modification factor
- Policy Effective Date is different than the Modification Effective Date

**Split Periods—Reporting**

For each split period:

- Increment the split indicator by 1 (starting with 0). Split Period Indicators range from 0 to 9
- Prorate the exposure and premium for each class code based on duration of the split period
- Prorate premium for each statistical code if calculated premium is different for each period

■ For Class Codes

Class Code	Split Period	Exposure	Premium
8810	0	Prorated amounts	Prorated amounts
8810	1		
8810	...		
8810	9		

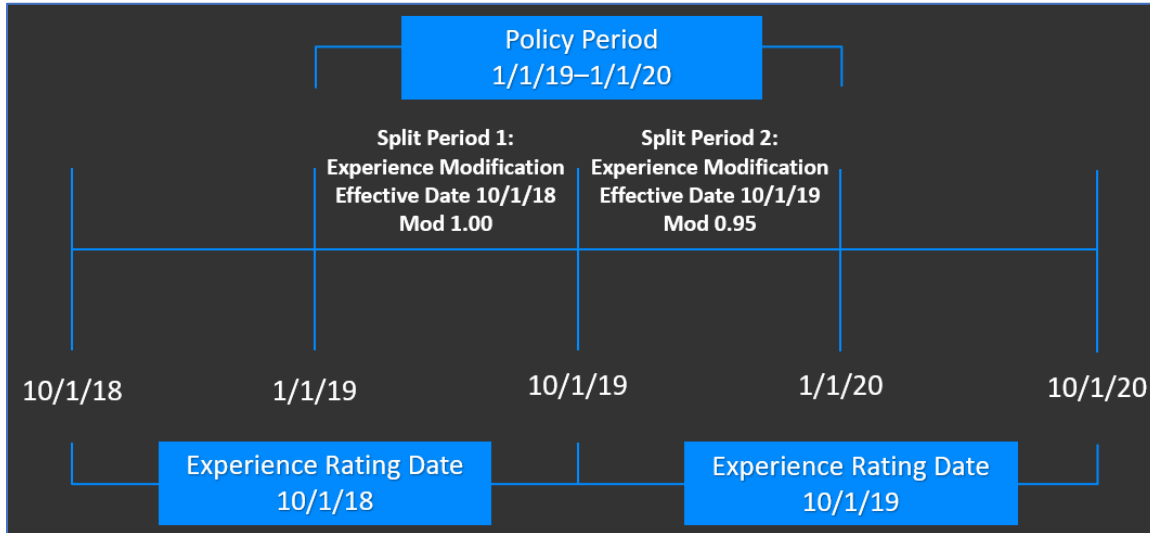
■ For Statistical Codes

Class Code	Split Period	Exposure	Premium
0900	0	0	Prorated amounts if premium changes
0900	1		
0900	...		
0900	...		
0900	9		



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**Split Period Example**



**Split Period Example of Experience Mod Effective Date Different From the Policy Effective Date:**

Pol Nbr: WC1234	Cov Provider ID: 99990	Pol Eff Dt: 1/1/19
Report Nbr: 1	Corr Seq Nbr: 0	State: 01-AL

Class Code	Exposure	Rate	Premium	Exp Mod	Exp Mod Eff. Date	Rate Eff. Date	Split Ind.
8810	30,000	0.25	75	1.000	10/1/18	1/1/19	0
8810	10,000	0.25	25	0.950	10/1/19	1/1/19	1



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## Chapter 4: Audit Noncompliance Charge

### Policy Conditions—WC 00 00 00 C

#### Part Five—Premium

**G. Audit**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

Outlines the carrier’s rights to request audit records and examination of those records to determine final premium.

- An Audit Noncompliance Charge (ANC) may apply subject to the conditions in the **Basic Manual**
- The charge is determined by applying the ANC multiplier from the **Basic Manual** to the ANC basis

#### Calculation Example

	Item	Amount
A	Original Total Estimated Annual Premium	\$100,000
B	ANC Multiplier	2
C	Calculated ANC Charge (A x B)	
D	Revised Total Estimated Annual Premium (A + C)	

- Insured has an Estimate Annual Premium of \$100,000
- The ANC charge in the state they do business is 2 times Estimated Annual Premium
- The ANC additional charge is \_\_\_\_\_
- The Revised Total Estimated Annual Premium is \_\_\_\_\_

**Note:** If the policyholder allows the audit, the carrier will determine the final policy premium, issue a refund of the ANC charge (if applicable), and then mark the policyholder as compliant with the audit.



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**ANC Reporting**

<i>Exposure</i>				
Update Type Code	Class or Statistical Code	Exposure	Rate	Premium
A	8017	5,000,000	2.00	100,000
A	9757	0	0.00	200,000

1. When the ANC charge applies, submit the 1st report with the original estimated exposure and estimated annual premium to the appropriate classification code (8017 in this example)
2. The ANC charge is reported to Statistical Code 9757

**Note:** The Estimated Audi Code on the Header Record remains as “N”

**ANC Reporting**

If the audit gets completed, submit a correction to make these changes.

1. Revise the Class Code’s data to the audited amounts
2. Delete the Audit Noncompliance Charge

<i>Exposure</i>				
Update Type Code	Class or Statistical Code	Exposure	Rate	Premium
C	8017	920,258	2.00	18,405
D	9757	0	0.00	200,000

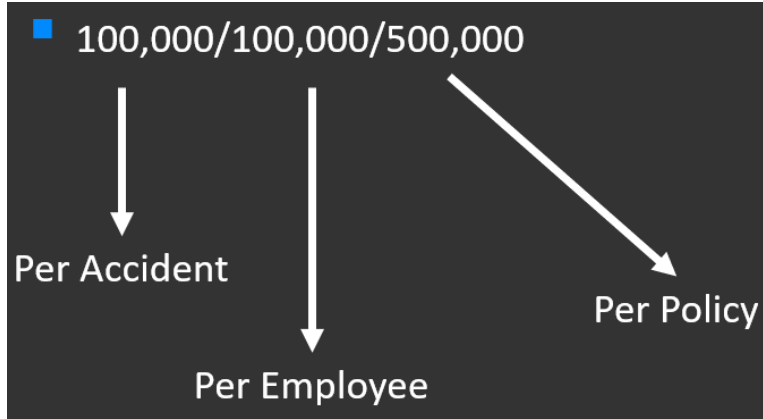
**Note:** The Estimated Audi Code on the Header Record remains as “N”.



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## Chapter 5: Increased Limits of Liability

### Standard Limits of Liability



### Increased Limits of Liability

- A carrier can increase the limits of liability and charge an additional premium by applying a factor
- See **Basic Manual** for factors
- Each factor has a corresponding minimum premium
- Applies with or without workers compensation
- Statistical Codes are used to report the additional premium

### Increased Limits of Liability—Statistical Codes

- Found in Part 6 of the **Statistical Plan**

Increased Limits With Workers Compensation Coverage (in 000s)—	
\$100/100/1,000	9803
\$100/100/2,500	9804
\$100/100/5,000	9805
\$100/100/10,000	9806
\$500/500/500	9807
\$500/500/1,000	9808
\$500/500/2,500	9809
\$500/500/5,000	9810
\$500/500/10,000	9811
\$1,000/1,000/1,000	9812

Increased Limits Without Workers Compensation Coverage (in 000s)—	
\$100/100/1,000	9823
\$100/100/2,500	9824
\$100/100/5,000	9825
\$100/100/10,000	9826
\$500/500/500	9827
\$500/500/1,000	9828
\$500/500/2,500	9829
\$500/500/5,000	9830
\$500/500/10,000	9831
\$1,000/1,000/1,000	9832
\$1,000/1,000/2,500	9833
\$1,000/1,000/5,000	9834
\$1,000/1,000/10,000	9835

- Separate codes are used when there is or is not workers compensation coverage
- Each code corresponds to specific limits of liability
- If the increased limits do not specifically match the limits corresponding to the stat codes, then use:
  - Code 9837 —> For limits that are LESS than 1 Million, 1 Million, 10 Million
  - Code 9816 —> For limits that are GREATER than 1 Million, 1 Million, 10 Million for coverage with workers comp
  - Code 9836 —> For limits that are GREATER than 1 Million, 1 Million, 10 Million for coverage without workers comp



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**Balance to Minimum Premium**

- Charges for Increased Limits of Liability have minimum premiums associated with the program
- When the minimum premium for the charge is not met, assign the difference to Statistical Code 9848—Balance to Minimum Premium

**Chapter 6: Per Capita—Domestic Workers**

Domestic Workers are hired to perform duties inside or outside a private residence. These include cooks, housekeepers, laundry workers, maids, butlers, companions, nannies, private chauffeurs, and gardeners.

- Full time workers:
  - Work more than 20 hours per week
  - Classified to code 0913
  - Exposure is based on number of workers during the policy period
- Part-time workers:
  - Work 20 hours or less per week
  - Classified to Code 0908
  - Exposure is based on duration of coverage
    - Example: Two part-time employees working 10 hours ago would equate to one unit of coverage.
- Rules for premium determination are in the *Basic Manual*

**Reporting Example**

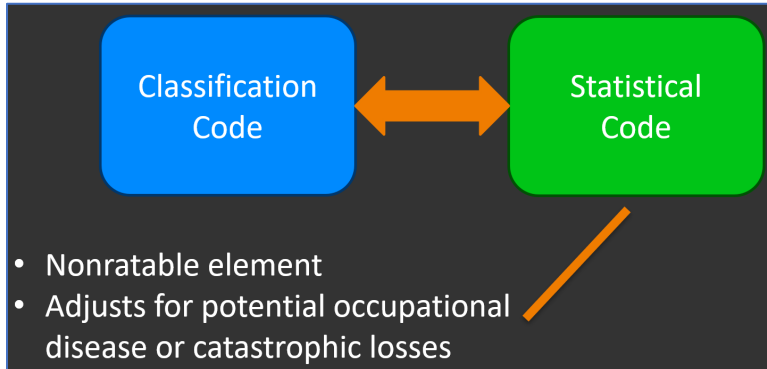
If you had two full-time domestic workers and one part-time domestic worker employed during the full policy period, report the exposure record as follows:

Class/Statistical Code	Exposure*
0913	0000000020
0908	0000000010



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**Chapter 7: Ratable/Nonratable Groups**



- Groupings of classification codes with their corresponding statistical codes
- Due to the nature of the insured’s operation, a policy may be assigned a ratable and nonratable group of a class code and its corresponding stat code
- Codes are identified with an “N” in the loss cost and rate pages
- Each classification code and statistical code has associated loss costs and rates
- The statistical code represents the nonratable element of the group and is subject to an additional premium load
- Premium is calculated for the stat code based on the rate and the additional premium accounts for the class code’s potential for occupational disease and catastrophic losses

FOOTNOTES											
N	This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.										
<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Class Code</th> <th style="text-align: center;">Non-Ratable Element Code</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">4766</td> <td style="text-align: center;">0766</td> </tr> <tr> <td style="text-align: center;">4771</td> <td style="text-align: center;">0771</td> </tr> <tr> <td style="text-align: center;">7405</td> <td style="text-align: center;">7445</td> </tr> <tr> <td style="text-align: center;">7431</td> <td style="text-align: center;">7453</td> </tr> </tbody> </table>	Class Code	Non-Ratable Element Code	4766	0766	4771	0771	7405	7445	7431	7453	
Class Code	Non-Ratable Element Code										
4766	0766										
4771	0771										
7405	7445										
7431	7453										



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**Note:** The ratable and nonratable groups codes are displayed in the footnotes of the rate pages. This is an example of the groups for Arizona. If you go to Part 6 of the Statistical Plan, you will notice that statistical code 7445 is described as the Nonratable portion of the rate for class code 7405.

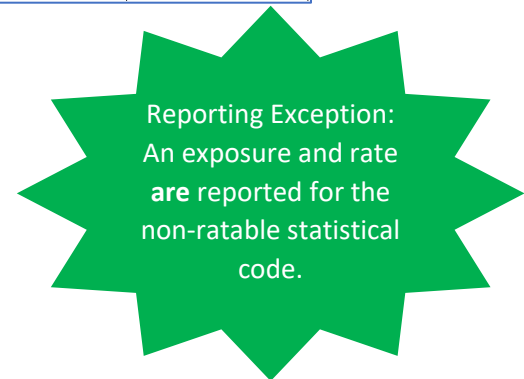
2. Premium Amount <i>Not Subject</i> to Experience Rating				
Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date
Non-Ratable Portion of Rate for Classification Code 7405	7445	Debit (+)	AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV	01/01/1987

**Reporting Example**

Class Cd	Exposure	Rate	Premium	Subj to ER
7405	\$100,000	0.99	\$990	Y
7445	\$100,000	0.53	\$300	N

Use the same exposure

Not subject to ER or retrospective rating



**Note:** All losses are reported to the **ratable** class code.

## Chapter 8: Supplemental Disease

### Supplemental Disease—Abrasive/Sandblasting/Incidental Foundries

If a policy covers disease exposure, the loss costs and rates will no longer include premium for the disease exposure. Effective with the current filing season: WV 11/1/2023, MO and NH 1/1/2024.

Based on a carrier’s evaluation of an insured’s operation, carriers are able to charge an additional premium for supplemental disease:

- Abrasive
- Sandblasting
- Incidental foundries—Steel, Non-Ferrous Metals, Iron

### Statistical Codes

- 0059—Abrasive or Sandblasting
- 0065—Incidental Foundries—Steel
- 0066—Incidental Foundries—Non-Ferrous Metals
- 0067—Incidental Foundries—Iron





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### Supplemental Disease—Atomic Energy/Radiation

For supplemental asbestos and atomic energy/radiation exposures, NCCI does not produce a loss cost or rate.

#### Statistical Codes

- 0133—Supplemental Disease Experience—in Connection With Asbestos Exposure
- 9985—Atomic Energy—Radiation Exposure NOC

### Supplemental Disease—Not Otherwise Classified

If there is a supplemental disease not otherwise classified, carriers are able to charge an additional disease load, based on the carrier’s evaluation of the insured's operations.

#### Statistical Code

0179—Disease Experience—Supplemental

### Reporting Supplemental Disease

- Report experience to the designated statistical code, including payroll, premium, and losses
- Keep disease experience separate from the class code experience as supplemental disease experience is **NOT** subject to experience rating

#### Example

Class	Code	Exposure
Gas pipeline operators	7515	\$100,000
Supplemental Disease – Abrasive or Sandblasting	0059	\$75,000

Supplemental disease claims use this Code

## Chapter 9: Catastrophe Provisions

### Catastrophe Provisions

- NCCI files separate charges for terrorism exposure and catastrophe provisions for other than certified acts of terrorism
- Premium calculations are either based on exposure and rate (total payroll/100 x [catastrophe provision value] or based on a flat charge
- Premium charges for catastrophe provisions are applied after the standard premium



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### Catastrophe Provisions—Premium

- NCCI publishes catastrophe and terrorism advisory loss costs in the Miscellaneous Values pages of the **Basic Manual** by state

MISCELLANEOUS VALUES	
<b>Basis of premium</b> applicable in accordance with the <b>Basic Manual</b> notes for Code 7370 -- "Taxicab Co.":	
Employee operated vehicle.....	\$81,200
Leased or rented vehicle.....	\$54,100
<b>Catastrophe (other than Certified Acts of Terrorism) - (Voluntary) .....</b>	<b>0.01</b>
<b>Expense Constant</b> applicable in accordance with the <b>Basic Manual</b> rule.....	\$160
<b>Terrorism (Voluntary) .....</b>	<b>0.01</b>

### Catastrophe Provisions—Premium Reporting

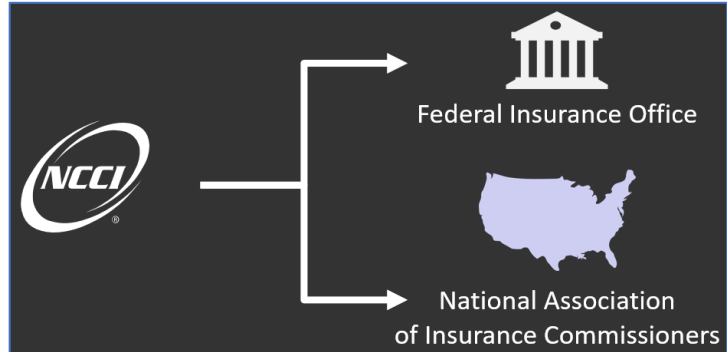
- When reporting catastrophe provision premium, use:
  - Statistical Code 9740 for Catastrophe provisions for terrorism
    - Rate field can accommodate two or three decimal places
  - Statistical Code 9741 for Catastrophe provisions other than certified acts of terrorism
- Premium charges must be reported separately under their designated statistical codes
- Premium charges must not be combined with the classification code premiums or other statistical code premiums
- If the charge is based on an exposure and rate:
  - Exposure, rate, and premium fields are reported with their appropriate amounts
    - Exposure Amount = Payroll (Exposure) Amount
    - Manual/Charged Rate
      - Catastrophe Provision Value for Terrorism
      - Catastrophe Provision Value for Catastrophe (other than Certified Acts of Terrorism)
    - Premium = Catastrophe Provision Premium
- If the charge is based on a flat premium:
  - Exposure Amount (zero-fill)
  - Manual/Charged Rate (zero-fill)
  - Premium = Catastrophe Provision Premium



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**Catastrophe Provisions—Terrorism Data Reporting**

- Part of NCCI’s reporting service to the Federal Insurance Office and to the NAIC
- NCCI provides terrorism data to these industry organizations based on the data reported



**Chapter 10: Rate and Premium Adjustments**

**Company Rate Deviation**

When a company deviates from NCCI’s published rates or loss costs:

There are two options for reporting rate deviations:

- Authorized (deviated) rates directly for each classification code
- Flat percentage of the total premium with appropriate statistical code

**Deviated Rates Example**

Class Code	Exposure	Rate	Premium
3111	500,000	1.00	5,000
8810	100,000	0.05	50

**Use authorized deviated rate**



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**Flat Percentage Example**

Class Code	Exposure	Rate	Premium
3111	500,000	1.10	5,500
8810	100,000	0.10	100
####	0	0.00	56

Use Stat Code

Use actual rate

**Company Rate Deviation Statistical Codes**

If choosing a flat percentage, the statistical codes used is based on placement of the premium in the algorithm and if the premium is a credit or debit:

Statistical Code	Premium Adjustment	Placement
9037	Credit	Subject to Experience Rating
9034	Credit	Not Subject to Experience Rating
9039	Debit	Subject to Experience Rating
9036	Debit	Not Subject to Experience Rating

**State Exception**

- Texas—No flat percentage option
- Virginia—No rate deviations

**Flat Decrease/Increase to Rates**

- NCCI’s **Statistical Plan** states: In the case of split rates due to a flat increase or decrease to the rate on an outstanding policy, the resulting premium adjustment must be reported
  - Example: Law-only filings

**Reporting a Flat Decrease or Increase**

- NCCI allows carriers various methods to adjust the premium:
  - Statistical Codes:
    - 0994—Premium Credit Due to Flat Decrease to Rate
    - 0998—Premium Debit Due to Flat Increase to Rate
  - Split Periods
  - Apply the adjustment directly to the rates



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**Statistical Code Reporting Example**

■ Premium Credit Due to Flat Decrease to Rate			
Class Code	Exposure	Rate	Premium
0994	0	0.00	100

■ Premium Debit Due to Flat Increase to Rate			
Class Code	Exposure	Rate	Premium
0998	0	0.00	100

**Split Periods Reporting Example**

Class Code	Split Period	Exposure	Rate	Premium
8810	0	50,000	1.00	500
8810	1	60,000	0.90	540

**Retrospective Rating Adjustments**

- Retrospective rated policies are not guaranteed cost policies
- Final premium is based on the insured’s actual loss experience during the policy term
  - Subject to a minimum and maximum premium
- Adjustments are performed periodically, after the policy is expired
  - First calculation is at 18 months; subsequent calculations are done every 12 months until all losses are closed out

**Retrospective Rating Adjustments—Reporting**

- Report the Header Record with a “Y” for the Retrospective Rated Policy Indicator
- Report Exposure Record with Audited payroll/premium on the 1st report
- Do not report:
  - Retrospective Premium adjustments
  - Correction reports to increase or decrease the audited premium due to retrospective adjustments

**Chapter 11: United States Longshore and Harbor Workers’  
 Compensation Act and Extensions (USL&HW)**

USL&HW act covers employees in traditional maritime occupations such as those engaged in loading, unloading, repairing, or building a vessel. This includes work on piers, docks, terminals, and wharves. It does not apply to masters or members of a crew of any vessel.



# Data Now Program (DNP) Unit Statistical: Complex Exposure, Premium, and Federal Coverage Reporting

## Three Types of USL&HW Extensions:

Coverage for USL&HW is an additional charge.

1. Defense Base Act—provides coverage for employment activities such as work on public work contracts with any US government agency
2. Outer Continental Shelf Lands Act—provides coverage to employees working in the exploration and development of natural resources such as an off-shore oil drilling
3. Non-Appropriated Funds Instrumentalities Act—provides coverage to civilian employees paid from these funds such as a day care worker

## F-Classifications

F-classification codes have the additional charge for USL&HW coverage built into their loss costs or rates. Most F-classifications have a corresponding state act class code.

### F-Classification Example

■ F-Classification with corresponding state act classification

F-Classification	State Act Classification
6872F	6882
Ship Repair or Conversion— Coverage Under U.S. Act	Ship Repair or Conversion— Coverage Under State Act Only

Refer to the **Basic Manual** for a list of F-Classifications and their corresponding state classifications.

### Alabama Rate Page Example

CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST
0005	1.77	2016	1.35	2735	2.39	3300	2.33	4101	1.03	4703	0.82	5610	3.22
0008	1.59	2021	1.88	2759	3.17	3303	1.29	4109	0.24	4717	1.28	5645	7.53
0016	3.26	2039	1.82	2790	1.38	3307	1.44	4110	0.43	4720	1.19	5703	7.30
0034	2.21	2041	1.48	2797	2.23	3315	1.65	4111	0.99	4740	0.51	5705	7.84
0035	1.28	2065	1.23	2799	3.55	3334	1.11	4113	-	4741	2.21	5951	0.27
1655	-	2587	1.48	3146	1.19	3826	0.87	4511	0.39	5462	3.71	6854	2.39
1699	1.74	2589	1.50	3169	1.39	3827	1.10	4557	1.54	5472	3.21	6872F	4.66
1701	1.47	2600	2.38	3175	-	3830	0.52	4558D	0.82	5473	4.88	6874F	7.85
1710D	1.98	2623	3.33	3179	0.97	3851	1.04	4568	1.93	5474	3.14	6882	1.89
1741	-	2651	0.80	3180	1.23	3865	1.58	4581	0.56	5478	2.62	6884	2.11

Notice in the example below the rate for Code 6872F is much higher than for Code 6882 because it includes the additional charge for the federal coverage:

ALABAMA			WORKERS COMPENSATION AND EMPLOYERS LIABILITY											
Page S2			Effective March 1, 2020											
Original Printing			APPLICABLE TO ASSIGNED RISK POLICIES ONLY											
CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
4558D	2.42	680	5473	13.95	1500	6872F	17.56	1500	7538	10.41	1500	8291	6.43	1500
4568	7.67	1500	5474	8.56	1500	6874F	28.61	1500	7539	2.70	741	8292	5.66	1377
4581	1.48	478	5478	9.52	1500	6882	5.27	1293	7540	3.91	1001	8293	14.42	1500
4583	6.75	1500	5479	10.68	1500	6884	5.98	1448	7570	-	-	8295	-	-
4611	1.63	510	5480	9.20	1500	7016M	3.51	915	7580	4.60	1149	8304	7.69	1500



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**Non-F-Classifications**

The loss cost or rate for non-F-classifications does not include the additional load for USL&HW coverage. Non-F-classifications can cover this coverage by increasing the loss cost or rate by the USL&HW factor. The factor is found in the Miscellaneous Values pages.

Here are the Miscellaneous Values sample rate pages. The USL&HW factor is 1.29:

<b>United States Longshore and Harbor Workers' Compensation Coverage Percentage</b> applicable only in connection with the <i>Basic Manual</i> rule, Federal coverages.....	29%
<small>(Multiply a Non-F classification loss cost by a factor of 1.29 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.25) and the adjustment for differences in loss-based expenses (1.035).)</small>	

**Non-F Classification Example**

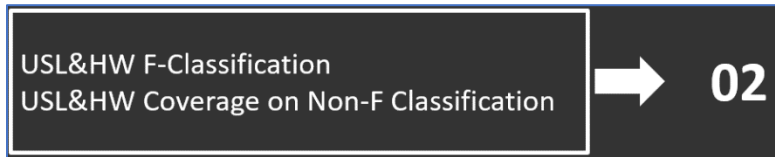
Description	Value
Loss Cost	0.80
USL&HW Compensation Coverage Factor	1.30
Adjusted Loss Cost	1.04

**Texas Exception**

- Applies to Oil, Gas, or Other Mineral Operations on or Over Water
- Loss cost of classifications assigned to these operations does not include coverage for the USL&HW Act
- Carrier may increase the rate and minimum premium through A-rates developed by the carrier

**Exposure Reporting**

Exposure Act Code 02 must be reported for all F classification codes and non-F classification codes that have been increased by the USL&HW factor.



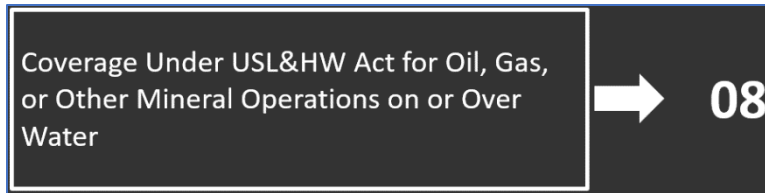
**Note:** Edit 0037-29 will apply if Exposure Act Code 02 is not reported for specific Maritime and F-classification codes.



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Exposure Act Code 08 must be reported for Oil, Gas or Other Mineral Operations subject to the USL&HW Act.



### Loss Reporting

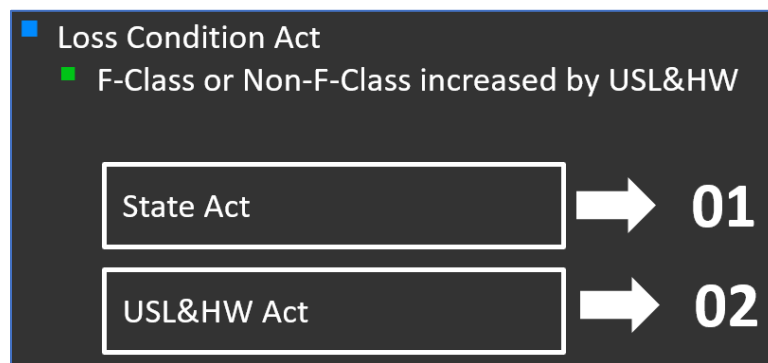
#### Jurisdictional Benefits

There are states that are known as exclusive jurisdictions. This means that the claimant can apply for either state or federal benefits. Other states are referred to as concurrent jurisdictions. The claimant can apply for both state and federal benefits.

In these jurisdictions:

- This allows claimants to immediately receive state benefits while waiting to potentially receive federal benefits
- A claim can qualify and be reserved for state benefits, and then over time develop and be reserved for federal benefits

For all F classifications and non-F class codes that have been increased by the USL&HW factor:

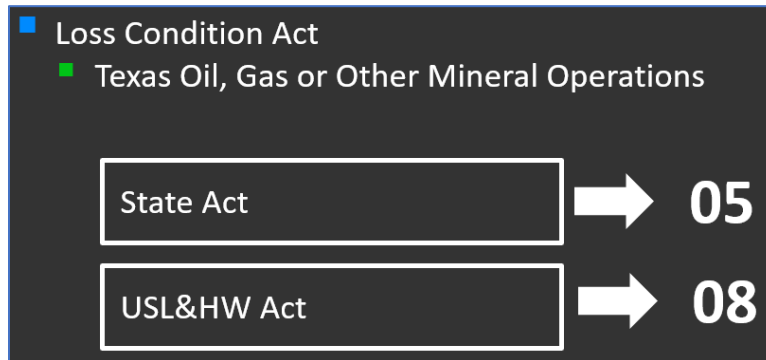




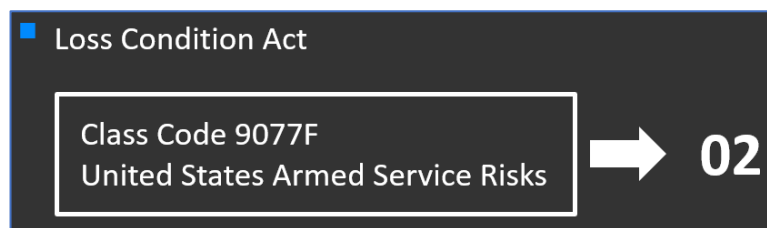


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For classification codes for Oil, Gas or Other Mineral Operations subject to USL&HW Act, you must report either:



**Loss Reporting for Classification Code 9077F**



**Jurisdiction State Code**

- Use the code applicable to the state for State Act
- Use code 00 for USL&HW Act

**Combining Losses**

When reporting an accident where the claimant receives both state act and USL&HW benefits, combine the experience in one claim. Do not report separate claims.

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