

Instructions

Call for Direct California Workers' Compensation Experience

Large Deductible Experience for Calendar Year 20xx (CA-LD-20xx)

Data Calls for large deductible policy experience listed above are similar to the WCIRB's standard Call for Direct California Workers' Compensation Experience – Fourth Quarter of Calendar Year 20xx, except that they are used for the reporting of experience for large deductible policies only. Large deductible policies are defined as policies with a deductible amount per claim or accident of at least \$100,000.

For each calendar year end evaluation of data, insurers must submit either (a) their large deductible experience on the Large Deductible Call or (b) a Waiver Request Form (the eligibility requirement of which is outlined on the Waiver Request Form included in the Large Deductible Call forms). Reporting of large deductible experience is mandatory for insurers that generated \$1,000,000 or more in earned deductible credits from policies with deductibles of \$100,000 or greater in any calendar year since calendar year 2000. Reporting of large deductible experience is optional for insurers that generated less than \$1,000,000 in earned deductible credits for each of the calendar years since calendar year 2000; however, insurers who are not required to and elect not to report this experience must instead submit the Waiver Request Form by the due date of this call.

A. FOR ALL PARTS OF THIS CALL, information reported must be in accordance with the following:

- (a) Include only experience (premium, losses, ALAE and claim counts) from all workers' compensation policies with a deductible amount per claim or accident of at least \$100,000. The experience on these large deductible policies must be reported on a gross (first dollar) basis – i.e., premiums must be prior to the application of deductible credits and losses and ALAE must be gross of deductibles.
- (b) Exclude experience (premium, losses, ALAE and claim counts) from:
 - Ceded reinsurance
 - Reinsurance assumed
 - Excess insurance
 - USL&H insurance
 - Private residence employee insurance
 - National Defense Project insurance
- (c) Insurers who are members of an affiliated group are encouraged to file on a combined group ("consolidated") basis. However, all members of the group must be individually listed. All data calls for the same evaluation period submitted to the WCIRB must be made under the same grouping structure. Any changes to the reporting group must be communicated to and approved by WCIRB prior to reporting data under the new grouping.
- (d) Use of the eSCAD® web-based application to submit data is highly encouraged. Insurers with access to the eSCAD web-based application should submit this data call online via eSCAD. Non-eSCAD submissions using only WCIRB forms and/or templates are permitted for insurers who do not yet have access to eSCAD, subject to a \$250 processing fee for each submission of this data call. For all non-eSCAD submissions: (i) reported amounts must be rounded to whole dollars; (ii) negative amounts must be displayed enclosed within parentheses; and (iii) the horizontal and vertical totals must equal their corresponding sum of rounded details shown on the forms, not the rounded sum of actual details.
- (e) Large Deductible calls are subject to the SCAD Program (program for Submission of California Aggregate Data). Refer to the [SCAD Program](#) effective July 1, 2010 for details. A comprehensive

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listing of the edits used to check the accuracy of submitted call data is available by clicking on the Help link in eSCAD.

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B. For PART I: PREMIUM EXHIBIT, information reported must be in accordance with the following:

- (a) Premium information is to be segregated by the designated policy years within the calendar year requested. For a particular calendar year xx, premiums reported in policy year P must include the premiums generated on all policies with inception year P that were written or earned during calendar year xx.
- (b) Exclude the impact of the following items from all reported premiums:
- Application of any deductible credits
 - Application of any retrospective rating plan adjustments
 - California Insurance Guarantee Association (CIGA) assessments
 - California Workers' Compensation Revolving Fund assessments
 - California Workers' Compensation fraud surcharges
 - Uninsured Employers Trust Fund Assessment
 - Subsequent Injuries Benefits Trust Fund Assessment
 - Occupational Safety & Health Fund assessments
 - Labor Enforcement & Compliance Fund assessments
 - Any charge for terrorism coverage pursuant to the Terrorism Risk Insurance Act of 2002 as amended by the Terrorism Risk Insurance Extension Act of 2005, or the Terrorism Risk Insurance Program Reauthorization Act of 2007 and 2015.
- (c) Written and earned premiums must be reported at two levels:
1. *Premium at Insurer Level:* This is the premium charged to the insured, with exceptions noted above. (Please refer to the definition of "Final Premium" in Part 4, Section II of the *California Workers' Compensation Uniform Statistical Reporting Plan – 1995* (USRP), available on the WCIRB website at <http://www.wcirb.com/document/123>, for a more detailed definition of premium to be reported to the WCIRB.)
 2. *Pure Premium at Advisory Pure Premium Rate Level:* This is the premium resulting from applying (1) the approved advisory pure premium rates to applicable exposure and (2) the applicable experience modifications computed in accordance with the *California Workers' Compensation Experience Rating Plan - 1995*. Refer to the separate guidelines on the calculation of pure premiums at the advisory pure premium level for further detail and examples. These guidelines can be found on the WCIRB website in the [Aggregate Financial Data Call](#) section through the [Additional Data Element Guidelines](#) link on the left panel. The method(s) used to compute the pure premiums should be designated on the first page of the Premium Verification Worksheet of the data call forms.
- (d) Earned but not billed or booked (EBUB) premiums must be included in both the Premium at Insurer Level and the Pure Premium at Advisory Pure Premium Rate Level.

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C. For PART II: ACCIDENT YEAR EXHIBIT, information reported must be in accordance with the following:

- (a) The Accident Year method of compiling data requires the assignment of all data for each claim to the year in which the accident occurred, and valued as of the evaluation date specified.
- (b) Paid data for each accident year must be reported on a “cumulative” basis. This means that for each accident year, the total of all amounts paid on each claim belonging to that accident year from the time the claim is reported to the evaluation date of the data call must be included.
Losses must be reported on a first-dollar basis prior to the application of deductibles.
- (c) Reserves valued as of the evaluation date of the data call must be reported. Voluntary reserves must be excluded.
- (d) Indemnity losses (paid, reserved excluding IBNR, incurred) must be reported in accordance with the definition of “Indemnity Losses” in Part 4, Section II of the USRP¹, available on the WCIRB website at <http://www.wcirb.com/document/123>.
- (e) Medical losses (paid, reserved excluding IBNR, incurred) must be reported in accordance with the definition of “Medical Losses” in Part 4, Section II of the USRP, available on the WCIRB website at <http://www.wcirb.com/document/123>.
- (f) Paid ALAE must be reported in accordance with the definition of “Allocated Loss Adjustment Expenses” in Part 4, Section II of the USRP, available on the WCIRB website at <http://www.wcirb.com/document/123>. Please note that claims that contain Paid ALAE but do not have any indemnity or medical incurred value must have their Paid ALAE value reported, however they must not be included in claim counts.
- (g) Claim count data for each accident year must be reported on a cumulative basis. This means that for each accident year, the total number of claims belonging to that accident year as of the evaluation date of the data call must be included. Reopened claims must not be counted as a separate claim from the original claim. (Do not double-count reopened claims under the premise that because they were closed as of a prior valuation date and are open as of the given valuation date, they represent two separate claims). **Claim count figures must include both claims whose values exceed the deductible threshold and those that are below the deductible threshold.**
- (h) “Indemnity claims” means claims with indemnity incurred (paid plus case reserves) greater than zero prior to application of deductible as of the evaluation date of the data call.
- (i) “Medical-only claims” means claims with medical incurred (paid plus case reserves) greater than zero prior to application of deductible and indemnity incurred equal to zero prior to application of deductible as of the evaluation date of the data call.
- (j) “Open claims” refers to claims which have not had a final loss payment made as of the evaluation date of the data call (irrespective of future ALAE payments to be made).

¹ USRP represents the California Workers' Compensation Uniform Statistical Reporting Plan – 1995.

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(k) Column data must conform to the following table:

Col.	Field Name	Description
1	Paid Losses (Indemnity)	Report cumulative indemnity amount paid for each accident year as of the evaluation date of the call.
2	Loss Reserves Excluding IBNR (Indemnity)	Report indemnity reserves (excluding IBNR) for each accident year as of the evaluation date of the call. <u>Include:</u> <ul style="list-style-type: none"> • Indemnity case reserves • Indemnity reserve for reopened claims <u>Exclude:</u> <ul style="list-style-type: none"> • Indemnity reserves for incurred but not reported claims • Voluntary reserves
3	Paid Losses (Medical)	Report cumulative medical amount paid for each accident year as of the evaluation date of the call. For claims covered by policies incepting prior to July 1, 2010 only, include the cumulative paid cost of medical cost containment programs (MCCP) that are not related to Independent Bill Review (IBR) and Independent Medical Review (IMR).
4	Loss Reserves Excluding IBNR (Medical)	Report medical reserves for each accident year as of the evaluation date of the call. <u>Include:</u> <ul style="list-style-type: none"> • Medical case reserves • Medical reserve for reopened claims <u>Exclude:</u> <ul style="list-style-type: none"> • Medical reserves for incurred but not reported claims • Voluntary reserves
5	IBNR	Report the total of indemnity and medical reserves for claims incurred but not reported for each accident year as of the evaluation date of the call. <u>Exclude:</u> <ul style="list-style-type: none"> • Indemnity and medical case reserves • Indemnity and medical reserve for reopened claims • Voluntary reserves
6	Total Incurred Losses Including IBNR	This is the sum of columns 1 through 5.
7	Paid ALAE	Report cumulative ALAE (including costs of IBR and IMR) amount paid for each accident year as of the evaluation date of the call. For claims covered by policies incepting on or after July 1, 2010 only, also include the cumulative paid cost of MCCP that are not related to IBR and IMR.
7a	Paid Cost of Medical Cost Containment Programs Included in ALAE	For claims covered by policies incepting on or after July 1, 2010 only, report the cumulative costs related to IBR, IMR, and other MCCP that are paid on or before January 1, 2016 but do not included the cumulative costs related to IBR and IMR that are paid after January 1, 2016 for each accident year as of the evaluation date of the call. The amount reported is also to be included in column 7 (Paid ALAE).

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Col.	Field Name	Description
8	Paid Medical on Medical-Only Claims	For each of the accident years 1995 and forward, report cumulative medical paid on claims considered as medical-only claims (open or closed) as of the evaluation date of the call. For claims covered by policies incepting prior to July 1, 2010 only, also include the cumulative paid cost of MCCP that are not related to IBR and IMR.
9	Paid Indemnity Losses on Open Indemnity Claims	For each of the accident years 1995 and forward, report cumulative indemnity paid on <u>indemnity</u> claims which were open as of the evaluation date of the call.
10	Paid Medical Losses on Open Indemnity Claims	For each of the accident years 1995 and forward, report cumulative medical paid on <u>indemnity</u> claims which were open as of the evaluation date of the call. For claims covered by policies incepting prior to July 1, 2010 only, also include the cumulative paid cost of MCCP that are not related to IBR and IMR.
11	Open Indemnity Claim Counts	For each of the accident years 1995 and forward, report the number of indemnity claims (i) which were open as of the evaluation date of the call and (ii) where the sum of indemnity cumulative loss paid and indemnity loss case reserve for each claim as of the evaluation date of the call is greater than zero.
12	Total Indemnity Claim Counts	For each of the accident years 1995 and forward, report the cumulative total number of indemnity claims (both open and closed) as of the evaluation date of the call, where the sum of indemnity cumulative loss paid and indemnity loss case reserve for each claim as of the evaluation date of the call is greater than zero.
13	Total Claim Counts	For each of the accident years 1995 and forward, report the cumulative total number of indemnity and medical-only claims (both open and closed) as of the evaluation date of the call, where the sum of indemnity and medical cumulative loss paid and indemnity and medical loss case reserves for each claim as of the evaluation date of the call is greater than zero.

- (l) Row (a) is the sums of the figures in the individual accident years for each of columns (1) through (13).
- (m) In row (b), for columns (1) through (13), report the corresponding data from row (a) of the call evaluated as of December 31 of the previous evaluation year.
- (n) Row (c), the Year-to-Date Change, is the difference between rows (a) and (b) for each of columns (1) through (13).
- (o) For clarifications on whether a particular claim should be included in the various claim count fields, refer to the [Claim Count Guidelines](#), which can be found on the WCIRB website in the [Aggregate Financial Data Call](#) section through the [Additional Data Element Guidelines](#) link on the left panel.
- (p) For guidance on the reporting of the cost of MCCP, IBR and IMR, refer to the [MCCP & IBR/IMR Guidelines](#), which can be found on the WCIRB website in the [Aggregate Financial Data Call](#) section through the [Additional Data Element Guidelines](#) link on the left panel.