



January 8, 2018

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Catastrophe Number 11 for Hurricane Harvey in Texas

The purpose of this filing is to establish Catastrophe Number 11 for identification of claims resulting from Hurricane Harvey, which occurred in Texas in August 2017.

NCCI and the Texas Department of Insurance have determined that this qualifies as a workers compensation Extraordinary Loss Event, which is a significant loss event that requires a unique Catastrophe Number to identify all claims involved.

Catastrophe Number 11 has been established for reporting these claims, which begins with associated claims with an Accident Date of August 23, 2017, and subsequent.

Statistical reporting information for Catastrophe Number 11 claims for North Carolina employers will follow the guideline outlined in NCCI Circular DR-2017-02 issued on December 5, 2017.

A copy of the NCCI circular is attached for your review.

Sincerely,

Felecia Taylor, PMP®, CTAL-TA, AIC

Supervisor, Data Services

FT:ko
Attachment
C-18-1



Data Reporting—Catastrophe Number 11 for Hurricane Harvey in Texas

ACTION NEEDED

NCCI is providing reporting instructions for Catastrophe Number 11, which has been established for data providers to identify claims resulting from Hurricane Harvey, which occurred in Texas in August 2017. The event has been determined to be an Extraordinary Loss Event (ELE) Catastrophe.

Please review this information to ensure the accurate reporting of this claims experience when submitting Unit Statistical data, Detailed Claim Information, and Financial Call data to NCCI.

BACKGROUND

On August 25, 2017, Hurricane Harvey made landfall near Rockport, Texas, as a Category 4 hurricane with maximum sustained winds of 130 mph. Hurricane Harvey then moved inland over Texas, stalled, headed back over the Gulf of Mexico, and on August 30, 2017, made another landfall in Western Louisiana as Tropical Storm Harvey. In addition to damage in the Coastal Bend and South Central Texas caused by Hurricane Harvey's storm surge and hurricane-force winds, Harvey's rains caused extensive catastrophic flooding in South Central Texas, the greater Houston metropolitan area, and Southeast Texas.

NCCI and the Texas Department of Insurance have determined that this qualifies as a workers compensation Extraordinary Loss Event, which is a significant loss event that requires a unique Catastrophe Number to identify all claims involved.

Catastrophe Number 11 has been established for reporting these claims, which begins with associated claims with an Accident Date of August 23, 2017, and subsequent. Once the ending Accident Date has been determined, we will issue a follow-up circular with that information.

IMPACT

Unit Statistical Reporting Instructions

The earliest possible reporting of Unit Statistical reports containing Catastrophe Number 11 claims will be for Texas policies effective August 2016, which will be valued as of February 2018 and will be due for reporting by April 30, 2018. For these claims, report 11 in the Catastrophe Number field on the Loss Record.

Texas Detailed Claim Information (DCI) Reporting Instructions

The earliest reporting of Texas DCI claims for this catastrophe will be based on Texas Jurisdiction State (State Code 42) claims with a Reported to Insurer Date of August 23, 2017, which will be valued as of March 2018 and will be due for reporting by June 30, 2018. This initial reporting is based on the Texas DCI initial 6-Month Valuation Level.

For these claims, report Y in the Extraordinary Loss Event Claim Indicator field on the DCI claim record.

Financial Call Catastrophe Instructions

Financial Call reporting for claims identified with Catastrophe Number 11 will begin with the 2018 reporting season for Calls valued as of December 31, 2017.

Claims impacted by this catastrophe must be included in the applicable Financial Calls:

- Call 3—Policy Year
- Call 3A—Policy Year—Assigned Risk
- Call 5—Calendar-Accident Year

- Call 5A—Calendar-Accident Year—Assigned Risk
 - Call 8—Reconciliation Report
 - Call 19—Accident Year Countrywide Loss Adjustment Expense
 - Call 31—Large Loss and Catastrophe Call
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NCCI ACTION

Experience Rating

NCCI is currently analyzing how Catastrophe Number 11 claims will be treated for experience rating modification purposes. When a decision is reached, NCCI will communicate this information to the industry.

Editing Requirements

When reporting claim data to NCCI with Extraordinary Loss Event (ELE) Catastrophe Number 11, the following edits/validation tests apply:

- **Unit Statistical Data**
 - Edit 0029-12—Edit checks for a valid ELE Catastrophe Number
 - Edit 0029-13—Edit checks the Accident Date range for the ELE Catastrophe Number
 - Validation Test L256—Checks for a valid ELE Catastrophe Number
- **Detailed Claim Information**
 - Edit 0412-01—Edit checks for a valid (Y or N) ELE Catastrophe Number Indicator
 - Edit 0412-02—When a Y is reported in the ELE Catastrophe Number field, the edit checks for a valid ELE Accident Date and Accident State
- **Financial Calls**
 - Edit 3150—Catastrophe Accident Date Should Be Within Expected Range
 - Edit 3169—Proper Value Should Be Reported for Catastrophe Code

Follow-Up Circular

Catastrophe Number 11 Hurricane Harvey claims include Accident Dates of August 23, 2017, and subsequent. At this time, however, the ending Accident Date has not yet been established. Once the ending Accident Date has been determined, we will issue a follow-up circular with that information.

PERSON TO CONTACT

If you have any general data reporting questions, please 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.
