



June 11, 2008

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Catastrophe Code Number 28

The North Carolina Rate Bureau has adopted and the North Carolina Commissioner of Insurance has approved the adoption of Catastrophe Code Number 28 as a result of an explosion at the Imperial Sugar Company in Georgia. The approval is effective June 9, 2008.

On February 7, 2008, the Imperial Sugar Company experienced an explosion and fire at its sugar refinery in Port Wentworth, Georgia. The event has been classified as an extraordinary loss event. An extraordinary loss event is a significant loss that requires the establishment of a unique Catastrophe Number for identification of all claims involved. The National Council on Compensation Insurance, Inc. (NCCI) has established Catastrophe Number 28 to identify all claims involved. The accident date range that has been established for Catastrophe Number 28 is February 7 through February 8, 2008, which covers losses sustained on the day of the event and any claims associated with early responders into the next day.

The North Carolina Rate Bureau will accept loss records with Catastrophe Number 28 for North Carolina employers who had employees in Georgia who were injured as a result of the event.

Statistical reporting information for any Catastrophe Number 28 claims for North Carolina employers will follow the guidelines outlined in NCCI circular DR 2008-02 issued on February 14, 2008. A copy of the circular is attached for your review.

Contact the Information Center at 919-582-1056 or via email at [wcinfo@ncrb.org](mailto:wcinfo@ncrb.org), if you require additional information.

Sincerely,

Sue Taylor

Director of Insurance Operations

C-08-8



# Circular

FEBRUARY 14, 2008

DATA REPORTING

DR-2008-02

## Data Reporting—Catastrophe Code 28 Reporting Instructions

### ACTION NEEDED

NCCI is providing reporting instructions for Catastrophe Number 28 for data providers to identify claims resulting from the explosion and fire that recently occurred at an Imperial Sugar Company facility in Georgia.

Please review this information so your company properly codes these claims for submitting Unit Statistical, Detailed Claim Information, and Financial Call data to NCCI.

### BACKGROUND

On the evening of February 7, 2008, the Imperial Sugar Company experienced an explosion and fire at its sugar refinery in Port Wentworth, Georgia. While the full extent of the impact is still being determined, it is expected to include a number of workers compensation claims, including death claims and other injuries to employees involved in this extraordinary loss event.

An extraordinary loss event is a significant loss event determined by NCCI that requires establishing a unique Catastrophe Number to identify all claims involved. The accident date range that has been established for Catastrophe Number 28 is February 7 through February 8, 2008. The reason for this two-day range is to cover losses sustained on the day of the event and any claims associated with early responders (rescue, recovery, firefighters, etc.) into the next day.

### IMPACT

#### Catastrophe Number 28—General Instructions

##### *Unit Statistical Data Reporting Instructions*

The earliest possible reporting of Unit Statistical reports containing Catastrophe Number 28 claims will be for policies effective January 2007, which will be valued as of July 2008 and due for reporting by September 2008. (The January 2007 date addresses policies that extend up to a term of one year and 16 days.)

For these claims, report “28” in the Catastrophe Number field.

##### *Detailed Claim Information (DCI) Reporting Instructions*

The earliest reporting of DCI claims for this catastrophe (if any of these claims are included in your DCI sample) will be based on claims with a Reported to Insurer Date of February 7, 2008, which will be valued as of August 2008 and reported (due) to NCCI in October 2008.

Although NCCI does not collect the Catastrophe Number on the DCI record layout, there is other information on the DCI record layout that will enable identifying these claims.

##### *Financial Call Reporting Instructions*

Financial Call reporting for claims identified with Catastrophe Number 28 will begin with the 2009 reporting season for Calls valued as of December 31, 2008. The following requirements apply to specific Financial Calls:

- Catastrophe Number 28 claims must be identified separately within Call #31—Large Loss and Catastrophe. Call #31 will be modified for the 2009 reporting season to add the instructions pertaining to Catastrophe Number 28 claims.
- Catastrophe Number 28 claims must be included in the ratemaking Financial Calls, which are the following:
  - 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

Reporting instructions for Catastrophe Number 28 will be included in the 2009 edition of NCCI's *Reporting Guidebook for the Annual Calls for Experience*.

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**NCCI ACTION**

**Experience Rating and State Ratemaking**

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

Regarding the overall impact of these Catastrophe Number 28 claims on future Georgia loss costs, NCCI will begin to analyze the loss experience starting with the Financial Calls valued as of December 31, 2008, which will be collected in early 2009.

**Editing Requirements**

NCCI is currently evaluating Unit Statistical and Financial Call data editing requirements for Catastrophe Number 28 claims. When these requirements are developed, they will be included in the online Unit Edit Matrix and Financial Call Edit Matrix. These edit matrices will be updated in the respective manuals—the *Unit Statistical Reporting Guidebook* and the *Reporting Guidebook for the Annual Calls for Experience*—via [ncci.com](http://ncci.com).

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**PERSON TO CONTACT**

If you have any questions, or if you would like to subscribe to the manuals referenced in this circular, please contact our Customer Service Center at 800-NCCI-123 (800-622-4123). We're here to assist you Monday–Friday, 8:00 a.m.–8:00 p.m. ET. For faster service, use our simple online form at [ncci.com](http://ncci.com).

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