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January 14, 2022

Circular 2022-01

**Indiana Pool Take-Out Credit Program**  
Calendar Year 2021

**Background**

The Take-Out Credit (TOC) Program is a filed program in Indiana, effective since January 1, 1992. The program encourages carriers to remove employers from the assigned risk market by writing policies voluntarily in the regular market. It allows a carrier to obtain credits against its Pool participation.

For every dollar in premium removed, the carrier gets a dollar credit against its Indiana Pool participation base. The employer must stay out of the assigned risk market for at least one policy year. The carrier can earn the credit for up to three years. The credits are applied against a carrier's calendar year voluntary premium. Calendar year voluntary premium is used as the basis for the apportionment of the results (positive or negative) of the assigned risk market.

**Summary of Calendar Year 2021 Procedures**

To receive credits for Indiana, carriers must enroll with NCCI by **February 18, 2022**. For carriers that are currently enrolled in the NCCI system and/or received a take-out credit for Calendar Year 2020, you are already enrolled and are not required to enroll in the 2021 Take-Out Credit Program, just update your contact information, if needed. For more information, please refer to NCCI Circular PLAN-2022-04, dated January 7, 2022 which does a good job of explaining the process and provides sample forms.

As a service to the ICRB, NCCI is processing take-out credit requests for Indiana using its automated system. During the week of **March 14, 2022**, NCCI will send an email announcing the availability of the TOC Report located in its data collection tool, available online in the TOC System via NCCI's data collection tool, ***Policy Data Collection***.

If you agree with the TOC Report and have no changes, you must indicate your acceptance of the credits in the TOC System by **April 15, 2022**. Upon your acceptance, the NCCI TOC Administrator will notify the ICRB so that we may adjust your company's Calendar Year 2021 voluntary market share. This will determine your company's 2021 Indiana Pool participation base.

For more information, visit our website at [www.icrb.net](http://www.icrb.net). Click on "Reference Library" at the top of the home page and go to "Assigned Risk: Take-Out Credit Program."

Sincerely,

Karen H. Byrd  
President & CEO

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## Plan–Take-Out Credit Program

### ACTION NEEDED

Please review this circular for information regarding NCCI’s *Take-Out Credit Program (TOC Program)* to determine the appropriate procedural actions for your company. The following dates are explained in further detail throughout this circular.

- You, the carriers, must ensure that you are enrolled and have provided NCCI with the correct contact information no later than **February 18, 2022**. *Refer to Step 1.*
- If you are enrolled in the *TOC Program*, contacts are sent an email announcing the availability of a detailed eligible policy report (TOC Results) for your specific company code(s) during the week of **March 14, 2022**. For the 2021 *TOC Program*, the TOC Results and the acceptance process will be available only online in the TOC System via NCCI’s data collection tool, *Policy Data Collection*, located on **ncci.com**. *Refer to Step 2.*
- If you are in agreement with the TOC Results and have no changes, you must indicate your acceptance of the credits in the TOC System by **April 15, 2022**. Your acceptance is considered application for the annual TOC. Credits that are declined or have not been acted upon by this date will not be awarded. *Refer to Step 3.*
- You may modify policy information or request additional policies to be reviewed for TOC through NCCI’s TOC System. Modifications and requests for credit transactions must be completed no later than **April 15, 2022**. *Refer to Step 3.*
- If you submitted a policy modification or a request for credit by **April 22, 2022**, and issues arise from the modifications submitted through the TOC System, you will need to submit a written appeal via email to NCCI’s TOC administrator at **ncci\_toc\_admin@ncci.com**. All appeals must be resolved no later than **April 15, 2022**. *Refer to Step 3.*
- Failure to apply for TOC by **April 15, 2022**, will result in credits not being applied against the premium used to calculate your voluntary market carrier’s Plan participation base.

### BACKGROUND

NCCI’s *TOC Program* provides carriers with financial incentives for writing residual market employers on a voluntary market basis as described in NCCI’s *Residual Market Manual for Workers Compensation and Employers Liability Insurance (Residual Market Manual)*. Each voluntary market carrier participating in the Workers Compensation Insurance Plan (WCIP) that removes an employer insured under the WCIP may be eligible for a take-out credit. TOCs are applied against the premium used to calculate the voluntary market carrier’s Plan participation base as defined in the WCIP. This circular explains the requirements that you, the carrier, must meet. It also explains what you can expect from NCCI.

Below is a high-level explanation of the process. It is followed by a detailed explanation of the individual steps.

### HOW THE TOC PROGRAM WORKS

1. **Enrollment in the TOC Program**—Carriers must ensure that they are enrolled and have provided NCCI with the correct contact information per the instructions in this circular.
2. **TOC Results**—NCCI provides enrolled carriers with TOC Results via the TOC System. You must review your report for accuracy and ensure that it corresponds with your company’s Direct Premiums Written in the Exhibit of Premiums and Losses (Statutory Page 14) contained in your annual statement.

3. **Applying for TOC**—After completing your review of the data, you must take action by either accepting the credit or processing a modification request through the TOC System by the published deadline.
4. **Determination of Appropriate TOC**—Once your application for TOC is received and processed by NCCI's TOC administrator, NCCI's Residual Market Finance Department will adjust your company's Calendar Year 2021 voluntary market share. This will assist in determining your company's Plan participation base.

## **STEP 1—ENROLLMENT IN THE TOC PROGRAM**

To participate in the 2021 *Take-Out Credit Program* and receive a detailed eligible policy report (TOC Results) via the TOC System, carriers must ensure that they are enrolled and have provided NCCI with the correct contact information per the instructions in this circular no later than **February 18, 2022**. Carriers that are currently enrolled and/or have received a take-out credit for Calendar Year 2020 are not required to enroll in the 2021 *TOC Program*. However, you must notify the TOC administrator at [ncci\\_toc\\_admin@ncci.com](mailto:ncci_toc_admin@ncci.com) if you wish to change your enrollment status or if your contact information has changed. To enroll, please send the following contact information to [ncci\\_toc\\_admin@ncci.com](mailto:ncci_toc_admin@ncci.com) for each of the companies in your group that you would like to enroll in the program. The individual(s) listed as a TOC contact should be able to review and approve the credit.

- NCCI Carrier Group Name and Code
- NCCI Carrier Name(s) and Code(s)
- TOC Contact Name(s)\*
- TOC Contact Mailing Address
- TOC Contact Email Address
- TOC Phone and Fax Numbers

\*Provide the information above for each individual if you would like the reports to be sent to multiple contacts.

If you are uncertain of your enrollment status or an affiliated company's status, contact the TOC administrator at [ncci\\_toc\\_admin@ncci.com](mailto:ncci_toc_admin@ncci.com) as soon as possible. Carriers not enrolled in the *TOC Program* will not be able to access NCCI's TOC System.

## **STEP 2—TOC RESULTS**

During the week of **March 14, 2022**, all enrolled *TOC Program* contacts will be sent an email advising them that the TOC Results for their specific company code(s) are available in the TOC System for review, modifications, and acceptance. The TOC System is accessible only through [ncci.com](http://ncci.com).

**It is very important to keep your *TOC Program* contact information current. If you need to update your contact information, refer to Step 1 above for instructions.**

The TOC Results are listed by carrier and divided by state. Each state section includes a credit total and provides access to the following policy-level information:

- Insured Name
- Policy Number
- Policy Effective Date
- Federal Employee Identification Number (FEIN)—The accurate reporting of the FEIN in Policy and Unit Statistical data reporting to NCCI is important; the FEIN is used to identify voluntary market policies eligible for TOC
- Premium—You must verify and modify this, if necessary, to ensure that the premium listed corresponds to your company's Direct Premiums Written in the Exhibit of Premiums and Losses (Statutory Page 14) contained in your most recent annual statement
- Ratio

- Program Year\*\*
- Credit

\*\*Program Year refers to the individual year that an employer's initial and renewal voluntary market policies may participate in the TOC. For instance, an eligible initial voluntary market policy would be Program Year 1. The consecutive renewals would be Program Years 2 and 3, respectively.

If you disagree with the individual reported policy premium and/or want to add a policy not on the list, complete a modification or credit request in NCCI's TOC System, including the revised premium amount and/or additional policies.

The TOC Results are specific to the carrier listed and not to your entire group. You must review and accept all affiliated companies prior to the due date. If you are unsure of an affiliate's participation, contact the TOC administrator at [ncci\\_toc\\_admin@ncci.com](mailto:ncci_toc_admin@ncci.com).

### STEP 3—REQUESTING A TOC

To request your company's TOC, review the TOC Results via the TOC System for accuracy and completeness. Use the **Request Add'l Credit** function if the report is missing policies. The ability to modify or delete policy information is available at the policy detail level. Modification and deletion requests on unit adjustments and reversal credits are not accepted because **TOC Program** rules indicate that once an initial take-out credit has been accepted, all subsequent adjustments must also be accepted.

Retrospectively rated and large deductible policies are not included in NCCI's TOC Results. You must submit these policies using the **Request Add'l Credit** button in the TOC System.

For the carrier to receive a TOC applied to its Plan participation base, the request for a TOC and any modifications and/or variances must be received by NCCI no later than **April 15, 2022**. Your company will be ineligible to receive a TOC for the 2021 process year if you do not reply in the TOC System by this date.

Previous years' credits are available in the TOC System to help with your analysis of the TOC Results.

### Request Additional Credit Instructions

To add information not included on the TOC Results, select the **Request Add'l Credit** button and provide the following information for each policy:

- Current Policy Number.
- Current Policy Effective Date.
- State(s)—If a multistate policy, select the states while pressing the **Ctrl** key.
- Federal Employers Identification Number (FEIN). *Refer to Step 2 for more information about FEINs.*
- Premium (optional).

An immediate response will be supplied indicating whether the request has been accepted. If the request has not been accepted, a written appeal may be sent to the TOC administrator at [ncci\\_toc\\_admin@ncci.com](mailto:ncci_toc_admin@ncci.com).

TOC acceptances, policy modifications, and requests for credit **will not** be accepted after **April 15, 2022**. **Additionally, all appeals must be received by April 15, 2022**. It is critical that you submit any appeals for eligible policies no later than **April 15, 2022**, so that the NCCI TOC administrator can review the variances and validate them to determine whether an adjustment should be made to the TOC Results.

If issues are found with the information submitted by the carrier, they must be resolved by **April 22, 2022**. Final TOC amounts will be calculated and reported via the TOC System to all participating carriers. **All additional TOC requests are subject to the TOC administrator's review prior to finalizing the results.**

## STEP 4—DETERMINATION OF TAKE-OUT CREDIT

Once you accept your take-out credit, NCCI's Residual Market Finance Department or appropriate TOC Plan/Pool Administrator will adjust your company's Calendar Year 2021 voluntary market share.

Refer to the *Take-Out Credit Program* in NCCI's *Residual Market Manual* for the program rules regarding policy criteria, time limits, and the credit amount by state.

Jurisdictions with *TOC Programs* are:

Alabama	Georgia	Mississippi	South Carolina
Alaska	Illinois	New Hampshire	South Dakota
Arizona	Indiana	New Jersey <sup>2</sup>	Tennessee
Arkansas	Iowa	New Mexico <sup>3</sup>	Vermont
Connecticut	Kansas	North Carolina <sup>4</sup>	Virginia
District of Columbia	Massachusetts <sup>1</sup>	Oregon	West Virginia

<sup>1</sup>**Massachusetts**—The Workers Compensation Rating and Inspection Bureau of Massachusetts (WCRIBMA) administers the *TOC Program* in Massachusetts. Questions should be directed to the attention of Debra Jackson, Data Operations Department, at 617-646-7578, or refer to [www.wcribma.org](http://www.wcribma.org). The WCRIBMA will provide NCCI with the proper credit for each insurer participating in the Massachusetts *TOC Program*.

<sup>2</sup>**New Jersey**—It is not necessary to submit TOC applications for New Jersey. The New Jersey Compensation Rating and Inspection Bureau will provide NCCI with the credit amount for each insurer participating in New Jersey's *TOC Program*.

<sup>3</sup>**New Mexico**—Refer to NCCI's *New Mexico Workers' Compensation Assigned Risk Pool Manual Rule 7—Take-Out Credit (TOC) Program*.

<sup>4</sup>**North Carolina**—TOC applications for North Carolina can be submitted via email directly to the North Carolina Rate Bureau at [winfo@ncrb.org](mailto:winfo@ncrb.org), or mailed to 2910 Sumner Boulevard, Raleigh, NC 27616—Attention: Take-Out Credits. North Carolina will provide NCCI with proper credit for each insurer participating in the North Carolina *TOC Program*.

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### IMPACT

- You, the carrier, must enroll in the *TOC Program* if you are not already enrolled
- You must verify the TOC Results and accept or modify the report, via the TOC System, to receive a credit
- **Available for TOC-enrolled carriers:** Historical TOC data is accessible in the TOC System
- Once your TOC Results are accepted, credit will be applied in NCCI's *Reinsurance Pools Results and Information (RPRI)* in June 2022

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### NCCI ACTION

The Calendar Year 2021 *TOC Program* timeline is as follows:

- TOC enrollment closes **February 18, 2022**.
- During the week of **March 14, 2022**, NCCI, as Plan Administrator, will provide enrolled carriers with a report via the TOC System that will include a state-specific list of eligible policies and corresponding take-out credits.
- Modifications to that report, if any, must be executed via the TOC System no later than **April 15, 2022**. NCCI will consider appeals for credit; however, the carrier must electronically accept its credits via the TOC System regardless of the appeal status.
- If issues are found with the information submitted by the carrier, they must be resolved by **April 22, 2022**.
- Failure to apply for the *TOC Program* by **April 15, 2022**, will result in credits not being applied against the premium used to calculate your voluntary market carrier's Plan participation base.

**PERSON TO  
CONTACT**

If you have any questions,  
please contact: TOC  
Administrator  
NCCI  
901 Peninsula Corporate Circle  
Boca Raton, FL 33487-1362  
800-**NCCI**-123 (800-622-4123)  
[ncci\\_toc\\_admin@ncci.com](mailto:ncci_toc_admin@ncci.com)

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