

January 22, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Policy Data Timeliness and Quality Program
Invoice and Fine Procedures

Circular letter C-14-4 dated April 29, 2014 announced the implementation of a fining program for Workers Compensation policy data. The Policy Data Timeliness and Quality Program will assess fines for policy data errors and rejected policy transactions related to the reporting of new and renewal policies, cancellations and reinstatements. Fines will also be assessed for the late submission of coverage-related information (policies, cancellations and reinstatements). During the months November 2014 and December 2014, your Company may have received supporting documentation for the new policy fines. The fines associated with the Policy Data Timeliness and Quality Program were informational only. Beginning with your January invoice, the fines are due and payable.

The Bureau will generate a monthly invoice for each member carrier subject to fines. The summary invoice will include all monthly charges assessed to the carrier for the prior month. This means that the invoice mailed in February will include charges for January. Charges included on the invoice will reflect all North Carolina Rate Bureau chargeable activity for the given period by line item (e.g. Policy Data Error Fine, Policy Late Data Fine, Policy Rejection Data Fine and Delinquent USR Fines). The invoice will be mailed to the WC Billing Contact address captured in the Bureau's Contact Management System. Detail information for each line item will accompany the invoice. A sample of the invoice and accompanying detail information is attached.

Appeals/Requests For Waivers:

- Carriers have 90 days after the receipt of the invoice to appeal fines. All appeals must be in writing, must include the invoice number in question and must set forth all the factors which the carrier wishes to be considered in review of the appeal. The appeals may be sent directly to Delisa Fairley, Manager, Insurance Operations Data Manager at ddf@ncrb.org or to wcinfo@ncrb.org.
- Appeals will be reviewed by Bureau staff and will be responded to within 30 days of receipt.
- If a company disagrees with Bureau staff on the computation of any fine or with Bureau staff's determination of a valid fine, the company may request further appeal of the fines to the Chief Operating Officer of Insurance Operations at wcinfo@ncrb.org. The results of the review will be communicated to the carrier within 30 days of receipt.

- Member companies wishing to further appeal the decision of Bureau staff may request review of such decision by the Governing Committee of the North Carolina Rate Bureau. The review by the Governing Committee will take place at the next regularly scheduled meeting of the Governing Committee after the appeal.

Bureau fine procedures are available on the NCRB website at www.ncrb.org. On the Workers Compensation tab, the information can be viewed by selecting Carrier from the drop down menu and Data Reporting.

Sincerely,

Sue Taylor

Chief Operating Officer

ST:dms

Attachments

C-15-3



North Carolina Rate Bureau
P.O. Box 176010
Raleigh, NC 27619-6010
(919) 783-9790
www.ncrb.org

Invoice

Due Date: 10/03/2014
Invoice Date: 09/05/2014

NAIC Code: xxxxx

COMPANY CONTACT
COMPANY NAME
COMPANY MAILING ADDRESS
CITY, STATE xxxxx

Item #	Description/Comments	Amount
DQ100001	AUG 2014 POLICY DATA ERROR FINE	100.00
DQ200001	AUG 2014 POLICY LATE DATA FINE	150.00
DQ300001	AUG 2014 POLICY REJECTION DATA FINE	200.00
	Subtotal: Policy Data Fines	450.00
USR0000	AUG 2014 DELINQUENT USRS	50.00
	Total Amount Due:	\$500.00

Remittance Address: North Carolina Rate Bureau
P.O. Box 60058
Charlotte, NC 28260-0058

Overnight Mail: Wells Fargo Bank
Lockbox #60058
1525 West WT Harris Blvd - 2C2
Charlotte, NC 28262

If you have any questions, please call the **Information Center** at (919) 582-1056
or send an email to wcinfo@ncrb.org

For NCRB office use only: xxxxx

Data Error Fines for: August 2014

Carrier: 99999 - TEST INS CO

Coverage ID	Insured Name	Policy Number	Eff Date	Rec'd Date	Txn	Error Msg	Fine Amt
33333333	TEST 123 LLC	WCTEST123	05/07/14	06/10/14	06	An experience rating modification factor of 1.00 is not being reported on the policy for rating effective date 5/27/2014.	\$50
22222222	PEOPLE 2 LLC	WCPEOPLE2	05/22/14	06/22/14	08	WC320301 must be listed on all policies. Bureau version C is the correct version for policies with policy effective date on and after 1/1/14.	\$50
Total for 99999 - TEST INS CO							\$100

Each policy transaction with Finable Errors must be resolved within the 2 month period following the month the error was issued. A fine of \$50 per month, per finable error will be assessed until the error is resolved.

Late Policies, Cancellations or Reinstatements Fines for: August 2014

Carrier: 99999 - TEST INS CO

Coverage ID	Insured Name	Policy Number	Effective Date	Received Date	Txn Type	Fine Amount
11111111	TEST NC LLC	786TESTNC	11/30/13	08/27/14	05	\$50
99998888	ABC123 INC	456TESTNC	11/01/13	08/03/14	02	\$50
77776666	ORANGE CORPORATION	123TESTNC	12/14/13	08/17/14	01	\$50
Total for 99999 - TEST INS CO						\$150

Policies, cancellations and reinstatements are considered late and assessed a one-time fine of \$50 when the transaction is received 60 days after the effective date of the policy, cancellation or reinstatement.

Rejected Transaction Fines for: August 2014

Carrier: 99999 - TEST INS CO

Coverage ID	Insured Name	Policy Number	Eff Date	Rec'd Date	Txn Code	Reject Error	Fine Amt
88888888	TEST 1 INC	WCTEST1INC	12/31/13	05/08/14	01	Header record is missing.	\$50
77777777	ABC 1 INC	WCTESTABC1	12/31/13	06/08/14	02	No name reported or name has been expired.	\$50
88888888	TEST 1 INC	WCTEST1INC	12/31/13	05/08/14	10	No Primary name reported or primary name has been expired.	\$50
66666666	DEF LLC	WCDEFLLC	12/31/13	06/08/14	06	Address type 1 or 2 is required.	\$50
Total for 99999 - TEST INS CO							\$200

Each policy transaction rejection must be resolved within the 2 month period following the month the rejection was issued. A fine of \$50 per month, per rejection transaction will be assessed until the rejection is resolved.

USR Fines Assessed for Units Due August 2014

Group: 99999 - TEST INS CO

Carrier: 99999 - TEST INS CO

Coverage ID	Insured Name	Policy Number	Effective Date	RPT No.	CORR No.	USR Status	Reference #	Reference Date	Fine Amount
22222222	CDE456 INC	123WCTEST4	10/01/2012	01	00	Delinquent	665565	08/30/2014	\$50
Total for 99999 - TEST INS CO									\$50