NCRB-NCRF-NCIGA

North Carolina Rate Bureau

north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

April 29, 2014

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Data Timeliness and Quality Program

The Workers Compensation Committee and the Governing Committee of the North Carolina Rate Bureau have approved the implementation of a Policy Data Timeliness and Quality Program (Program).

Currently, the North Carolina Rate Bureau (NCRB) collects workers compensation policy data on behalf of its member companies for the following uses:

- Establishment of future expectations of Unit Statistical Reports

- Determination of carrier recipients for experience rating worksheets

- Administration of the Workers Compensation Insurance Plan

- Transmission of coverage information to the North Carolina Industrial Commission

Policy information includes premium by classification, estimated exposure and other miscellaneous rating values. The Bureau also collects changes to policy information, policy cancellations and policy reinstatements.

Member companies writing workers compensation insurance submit policy information electronically to the Bureau using the WCIO WCPOLS file format. The information received is verified through a series of edits that measure the quality of the data being reported. The verification process also detects errors in policy issuance (i.e., incorrectly applied experience mods, missing mandatory policy endorsements). If any of the data fails edits or is rejected, error reports are generated. The error reports are available in the NCRB ManagePolicy/ManageUSR application and carriers are notified via email that error reports are available.

Rejected transactions are not stored in the Spectrum database of the NCRB. Therefore, a rejected transaction that is not resubmitted impacts other Bureau processes not limited to the issuance of experience modifications and the processing of unit statistical information. In addition, rejected policy information is not sent to the North Carolina Industrial Commission possibly causing coverage data for North Carolina employers to be inaccurate.

The North Carolina Industrial Commission relies on the Bureau information to determine whether employers are complying with the provisions of the North Carolina Workers Compensation Act. Misreported or unreported information results in employers being contacted unnecessarily as there is no record of coverage contained in the Bureau's database.

The Policy Data Timeliness and Quality Program has been designed to ensure that member companies are reporting workers compensation policy data in a timely manner to the North Carolina Rate Bureau. The program was developed with input from member companies and Bureau staff. The effective date of the Policy Data Timeliness and Quality Program is November 1, 2014. Policy data submitted to the Bureau on or after November 1, 2014 is subject to the fine process.

Attached to this circular is the Policy Data Timeliness and Quality Program Guide. The guide contains information regarding the components of the program, the fine assessment schedule and the appeals process.

In an effort to provide member companies with lead time for the handling of the new fines, carriers will be issued invoices and detail reports for a 60 day period during which time no fines will be due. The 60 day grace period is for the months of November 2014 and December 2014. Fines issued for the month of January 2015 will be invoiced February 2015 and due and payable March 2015.

Additionally, for the first 6 months of the Program, the Bureau will provide a listing of employers that are approaching renewal for which the Bureau has not received a renewal policy. This listing will be generated upon request. A Policy Expiration List Request Form has been included in this packet for your convenience.

If you are interested in attending a web teleconference for further details and answers to any questions you may have, complete the attached Policy Data Timeliness and Quality Program Training Form and send it to Industry Support at industrysupport@ncrb.org .

Sincerely,

Sue Taylor

Director of Insurance Operations

ST:dms

Attachment

C-14-4

Policy Data Timeliness and Quality Program Guidebook

North Carolina Rate Bureau
2910 Sumner Blvd
Raleigh, NC 27616
919-783-9790

If at any time during these procedures you need assistance, you may contact the
NCRB, NCRF and NCIGA Information Center at:

Phone:　919-582-1056

Fax:　919-783-7467

E-mail:　wcinfo@ncrb.org

OVERVIEW

The Data Timeliness and Quality Program will ensure that carriers are reporting workers compensation policy data in a timely manner to the North Carolina Rate Bureau. This Program will ensure that carriers are timely in reporting transactions that establish or change coverage and that they respond to data reporting errors promptly. The Program will assess fines for data errors and rejected 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).

The components of the Data Timeliness and Quality Program are as follows:

- Late reporting data fines for Policy, Cancellations and Reinstatements
- Data Error Fines
- Rejected Transaction Fines

Part 1-PROGRAM

A. Late reporting data fines for Policy, Cancellations and Reinstatements

- Late reporting data fines will be based on a 60-day calendar cycle. Any policy, cancellation or reinstatement received and accepted more than 60 days after the effective date of the policy, the effective date of the cancellation or the effective date of the reinstatement will incur a one-time $50 fine. The 60-day criteria is determined by comparing the policy effective date, cancellation effective date or reinstatement effective date to the date the policy, cancellation or reinstatement was received by the Bureau.

- Any late policy, cancellation or reinstatement received during the month will be included on the Late Policies, Cancellation or Reinstatements detail report. The detail report will include information not limited to Coverage ID, Insured Name, Policy Number, Effective Date, Received Date, Transaction Type (Txn Type) and the Fine Amount.

Example A: Carrier issues a new policy with an effective date of 09/01/13. Carrier does not submit a policy transaction to NCRB until 01/15/14. Since the 01/15/14 received date of the transaction is more than 60 days after the effective date, the carrier will be assessed a **one-time** fee of $50. This one-time fee of $50 will reflect on the Late Policies, Cancellations or Reinstatements Fines detail report for January, 2014 as this was the month the transaction was received. The detail report for January will be included with the January invoices that are issued in February.

North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

Late Policies, Cancellations or Reinstatements Fines for January 2014

Carrier: 99998 - NCRB TEST CARRIER 1

Coverage ID	Insured Name	Policy Number	Txn Effective Date	Txn Received Date	Txn Type	Fine Amount
44444444	Cats Inc	CI12345	09/01/13	1/15/14	New	$50
44444444	Cats Inc	CI12345	10/01/13	1/25/14	Canc	$50
55555555	Angels Co	AC12345	08/15/13	1/12/14	Renewal	$50
66666666	Dogs LLC	DL12345	07/11/13	1/14/14	Rein	$50
77777777	Hats Happen	HH12345	05/13/13	1/27/14	New	$50

Total for 99998 - NCRB TEST CARRIER 1 $250

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.

B. Data Error Fines

- Data Error Fines will be based on a monthly cycle. Each Data Error Fine that has not been resolved within a 2 month period in which the error was issued will incur a $50 fine. The calculation of the Data Error Fine is based on the NCRB error notification date compared to the NCRB error resolution date.

- The fine will be included on the Data Errors Fine detail report and will include information not limited to Coverage ID, Insured Name, Policy Number, Effective Date, Received Date, Transaction (Txn), Error Msg, and Fine Amount. *NOTE*: The fine amount and transaction error(s) displayed on the report reflect transaction error(s) that occurred during the month.

Example B1: The carrier submits a policy transaction received by NCRB any time during the month of October, 2013. The policy was issued missing a required endorsement which causes an error to be generated. If the error is not resolved by the reporting carrier within the 2 months following the month in which the policy error was created (November, December), the carrier will incur the first fine of $50 for the policy error on the fine assessment date of December 31, 2013. This invoice will be generated and sent in January.

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Data Error Fines for December 2013

Carrier: 99998 - NCRB TEST CARRIER 1

Coverage ID	Insured Name	Policy Number	Txn Eff Date	Txn Rec'd Date	Txn	Error Msg	Fine Amt
1111111A	Cup Holders LLC	CH12345	10/01/13	10/02/13	14	Edit 1208 "WC320301C is required on all policies."	$50
2222222A	Picnic Inc	PI12345	09/12/14	10/05/13	02	Edit 853 "We have the indicated experience rating {.98 }, however, your policy does not."	$50
2222222A	Picnic Inc	PI12345	09/12/14	10/05/13	02	Edit 1208 "WC320301C is required on all policies."	$50

Total for 99998 - NCRB TEST CARRIER 1	$150

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.

- Data Error Fines that remain unresolved are subject to a recurring $50 monthly fine.

  Example B2: Using the information from the *B1* example described above, if the carrier has not resolved the error that was initially fined, the fine will display on the next detail report issued by NCRB. The error will be listed as a line item on the Data Errors Fine detail report and will reflect the $50 fine for the month of January because it is still unresolved as of the fine assessment date of January 31, 2014. The carrier will continue to be fined $50 each subsequent month until resolution.

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2910 Sumner Boulevard
Raleigh, NC 27616

Data Error Fines for January 2014

Carrier: 99998 - NCRB TEST CARRIER 1

	Coverage ID	Insured Name	Policy Number	Txn Eff Date	Txn Err Date	Txn	Error Msg	Fine Amt
OLD	11111A	Cup Holders LLC	CH12345	10/01/13	10/02/13	14	Edit 1208 "WC320301C is required on all policies."	$50
NEW	42341B	Test Sample LLC	NC98765	11/15/13	11/16/13	02	Edit 1208 "WC320301C is required on all policies."	$50

Total for 99998 - NCRB TEST CARRIER 1　　　　　　　　　　　　　　　　　　　**$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.

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2910 Sumner Boulevard
Raleigh, NC 27616

Data Error Fines for February 2014

Carrier: 99998 - NCRB TEST CARRIER 1

	Coverage ID	Insured Name	Policy Number	Txn Eff Date	Txn Err Date	Txn	Error Msg	Fine Amt
OLD	1111A	Cup Holders LLC	CH12345	10/01/13	10/02/13	14	Edit 1208 "WC320301C is required on all policies."	$50

Total for 99998 - NCRB TEST CARRIER 1　　　　　　　　　　　　　　　　　　　**$50**

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.

- Data Error Fines are per error. Each error is treated independently. If a policy has multiple unresolved errors that are considered finable, fines will be generated individually for each error.

North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

Data Error Fines for December 2013

Carrier: 99998 - NCRB TEST CARRIER 1

Coverage ID	Insured Name	Policy Number	Txn Eff Date	Txn Rec'd Date	Txn	Error Msg	Fine Amt
1111111A	Cup Holders LLC	CH12345	10/01/13	10/02/13	14	Edit 1208 "WC320301C is required on all policies."	$50
2222222A	Picnic Inc	PI12345	09/12/14	10/05/13	02	Edit 853 "We have the indicated experience rating {.98 }, however, your policy does not."	$50
2222222A	Picnic Inc	PI12345	09/12/14	10/05/13	02	Edit 1208 "WC320301C is required on all policies."	$50

Total for 99998 - NCRB TEST CARRIER 1 $150

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.

C. Rejected Transaction Fines

- Rejected Transactions that are part of the program consist of policies, cancellations and reinstatements. Each rejected transaction that has not been resolved within a 2- month period in which the rejection notification was issued will incur a $50 fine. The calculation of the Rejected Transaction Fine is based on the NCRB rejection notification date compared to the NCRB resolution of rejection date.

- The fine will be included on the Rejected Transactions Fines detail report and will include information about the rejected transaction.

- Rejected Transaction Fines are per transaction.

- Rejected Transaction Fines that remain unresolved are subject to a recurring $50 monthly fine.

Example C1: The carrier submits a policy transaction received by NCRB any time during the month of October, 2013 as displayed on the example shown for Multiple Rejected Transactions. The policy is missing a critical data element such as a mailing address, which causes the transaction to reject, preventing the policy data from being accepted and viewable in NCRB's system. If the rejected data is not corrected by the reporting carrier within the 2 months following the month in which the data was rejected (November, December), the carrier will incur the first fine of $50 for the data rejection on the fine assessment date of December 31, 2013. This invoice will be generated and sent in January. The carrier will continue to be fined $50 each subsequent month until resolution.

Example of Detail Displaying Multiple Rejected Transactions:

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Raleigh, NC 27616

Rejected Transaction Fines for December 2013

Carrier: 99998 - NCRB TEST CARRIER 1

Coverage ID	Insured Name	Policy Number	Txn Eff Date	Txn Rej Date	Txn Code	Reject Error	Fine Amount
11111111	Flower Shop Inc	FS12345	09/02/13	10/15/13	02	"No mailing address reported."	$50
11111111	Flower Shop Inc	FS12345	09/0213	10/16/13	14	"No mailing address reported."	$50
22222222	Donut Shop Inc	DS12345	10/01/13	10/12/13	01	"Policy cannot contain imbedded spaces."	$50
33333333	Milk Shop Inc	MS12345	09/15/13	10/11/13	08	"Primary Name has expired or does not exist"	$50

Total for 99998 - NCRB TEST CARRIER 1 $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.

Example of Recurring Rejection Fine along with New Rejection Fine:

Example of Recurring Rejection Fine still unresolved:

Part 2-FINE ASSESSMENT SCHEDULE

All transaction rejections and finable errors will be assessed after the 2- month resolution window. Please use the following schedule to determine the month of assessment and invoice generation.

If the error or rejection occurred in:	The fine assessment will display on the detail report for the month of:	The invoice will be issued and sent to the carrier in:
January	March	April
February	April	May
March	May	June
April	June	July
May	July	August
June	August	September
July	September	October
August	October	November
September	November	December
October	December	January
November	January	February
December	February	March

Note: The schedule reflects assessments for the initial unresolved error or rejection. Subsequent fines for unresolved errors will continue to display until resolved.

Example of Error/Rejection Assessment for month of March

If the rejection occurred on...	1st Month Starts	2nd Month Starts	Fine Assessment Date	Invoice Date
1-Mar	Aprl 1st	May 1st	31-May	June
2-Mar	Aprl 1st	May 1st	31-May	June
3-Mar	Aprl 1st	May 1st	31-May	June
4-Mar	Aprl 1st	May 1st	31-May	June
5-Mar	Aprl 1st	May 1st	31-May	June
6-Mar	Aprl 1st	May 1st	31-May	June
7-Mar	Aprl 1st	May 1st	31-May	June
8-Mar	Aprl 1st	May 1st	31-May	June
9-Mar	Aprl 1st	May 1st	31-May	June
10-Mar	Aprl 1st	May 1st	31-May	June
11-Mar	Aprl 1st	May 1st	31-May	June
12-Mar	Aprl 1st	May 1st	31-May	June
13-Mar	Aprl 1st	May 1st	31-May	June
14-Mar	Aprl 1st	May 1st	31-May	June
15-Mar	Aprl 1st	May 1st	31-May	June
16-Mar	Aprl 1st	May 1st	31-May	June
17-Mar	Aprl 1st	May 1st	31-May	June
18-Mar	Aprl 1st	May 1st	31-May	June
19-Mar	Aprl 1st	May 1st	31-May	June
20-Mar	Aprl 1st	May 1st	31-May	June
21-Mar	Aprl 1st	May 1st	31-May	June
22-Mar	Aprl 1st	May 1st	31-May	June
23-Mar	Aprl 1st	May 1st	31-May	June
24-Mar	Aprl 1st	May 1st	31-May	June
25-Mar	Aprl 1st	May 1st	31-May	June
26-Mar	Aprl 1st	May 1st	31-May	June
27-Mar	Aprl 1st	May 1st	31-May	June
28-Mar	Aprl 1st	May 1st	31-May	June
29-Mar	Aprl 1st	May 1st	31-May	June
30-Mar	Aprl 1st	May 1st	31-May	June
31-Mar	Aprl 1st	May 1st	31-May	June

The above chart provides an example of an error or rejection that occurs any time during the month of March. If the error or rejection occurred on March 15th, the carrier has until the last day of May to resolve. If the error was not resolved on May 31st, a fine would be assessed. The fine would be included on the May Detail Report/Invoice which is mailed in June.

Part 3-FINABLE ERRORS/REJECTS

All data submissions are subject to a number of edits that are designed to ensure accurate reporting of data. The errors listed below are edits that have been identified as finable. Carriers will be given a 6 month advance notice if additional edits are identified as finable.

Category	Error Message Id	Error Message
List of NCRB Finable/Rejected Errors		
CANC/REIN	804	Reason code not valid
CANC/REIN	819	Cancellation/reinstatement effective date [1] is not a valid date.
CANC/REIN	3204	Cancellation effective date is not a valid date
CANC/REIN	109101	Date not within policy period.
POLICY	218	Carrier ID must be numeric.
POLICY	219	Carrier ID is not valid - [1].
POLICY	249	Employer name on name record (02) cannot be blank. Name link code - [1]. Continuation seq. number - [2].
POLICY	289	Experience mod factor must be numeric on state premium record type 04.
POLICY	370	Plan indicator is not valid.
POLICY	371	Carrier [1] is not authorized for assigned policy.
POLICY	373	Policy effective date is not a valid date.
POLICY	377	Policy expiration date: [1] is not a valid date.
POLICY	378	Policy expiration date - [1] must be greater than effective date.
POLICY	379	Policy cannot be greater than three years in length: Expiration date - [1].
POLICY	381	Policy number cannot have leading spaces.

Category	Error Message Id	Error Message
List of NCRB Finable/Rejected Errors		
POLICY	383	Policy number cannot be zero. It must be the complete policy number or blank.
POLICY	384	Policy number cannot contain imbedded space.
POLICY	385	Policy number cannot contain special characters.
POLICY	444	Mailing address must be a specific location.
POLICY	512	Header record is missing.
POLICY	514	Duplicate header records not allowed.
POLICY	515	No name reported or name has been expired.
POLICY	516	No Primary name reported or primary name has been expired.
POLICY	517	Multiple primary names not allowed.
POLICY	518	Mailing address with street: [1], city: [2], state: [3], zip: [4], geographic area: [5], and country: [6] is not complete.
POLICY	519	No mailing address is reported.
POLICY	520	Multiple mailing addresses not allowed. Please correct.
POLICY	521	No Bureau state premium reported.
POLICY	552	Link data cannot be blank.
POLICY	577	State add/delete indicator of 'D' in state premium record 04 for state 32 is not acceptable. If it is your intent to delete NC from item 3A please submit a cancellation. If it is your intent to simply make adjustment to the premium please submit the appropriate transaction code.
POLICY	1059	The carrier ID on the policy must match the carrier ID on the assignment.

List of NCRB Finable/Rejected Errors		
Category	**Error Message Id**	**Error Message**
POLICY	1073	Multiple 05 transactions are submitted with the same Transaction Issue Date for the same policy, but none have Transaction Sequence Number of '01'.
POLICY	1074	Multiple 05 transactions are submitted with the same Transaction Issue Date for the same policy, but they do not have sequential Transaction Sequence Numbers.
POLICY	2098	Invalid punctuation marks in the name of insured field in the [1] name record, continuation sequence number [2].
POLICY	11007	Policy number cannot be blank.
POLICY	13011	Address type 1 or 2 is required.
POLICY	13052	Multiple carrier codes reported with bureau state premium.
POLICY	13056	This policy has been rejected due to a duplicate policy period.
POLICY	25135	Plan indicator cannot be changed from the original value [1] by this transaction.
POLICY	45126	This transaction was rejected because the policy is cancelled effective [1] and must be reinstated as of the cancellation date before the State Effective Date can be corrected to the later date [2] reported. Please review.
POLICY	1210	WC000414 must be listed on all policies.
POLICY	1211	Endorsement WC000326A is not attached.
POLICY	47063	WC000419[1] is required for this policy period.
POLICY	47069	All assigned risk policies effective 1/1/11 and later must list endorsement[1] [2] on the policy. Please correct the policy to add [3] endorsement[1].

List of NCRB Finable/Rejected Errors

Category	Error Message Id	Error Message
POLICY	47071	Effective 1/1/14, Endorsement WC000114 is mandatory for Assigned Risk policies.
POLICY	1208	WC320301 must be listed on all policies and WC320301C must be listed on all policies with policy effective date after 1/1/14.
POLICY	853	An experience rating modification factor of [1] is not being reported on the policy for rating effective date [2].
POLICY	1003	ARAP must equal to the value shown on the experience rating [1].

Part 4-FINE APPEAL PROCESS

As part of the Bureau's ongoing effort to improve data quality, policy data will be tracked for timeliness and accuracy. Carriers are encouraged to regularly monitor their data submissions. If policy data has been submitted and is not accepted, the appropriate steps must be taken to resolve the edit failures which result in data errors or rejected transactions. If you disagree with the data error fine or transaction rejection, notify NCRB prior to the issuance of any invoice for fines.

NOTE: NCRB assesses fines on the last day of the month and mails the invoice detailing the fines during the subsequent month.

A. Appeals/Requests For Waivers

1. Carriers have 90 days after issuance 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 as part of the appeal review. Appeals should be submitted to the Insurance Operations Data Manager, at wcinfo@ncrb.org.

2. Appeals will be reviewed by Bureau staff and the carrier will receive a response within 30 days of receipt.

3. If a carrier disagrees with the Bureau Staff's decision regarding the computation of any fine or with Bureau Staff's determination of a valid fine, the carrier may request further appeal of the fines to the Director of Insurance Operations, at wcinfo@ncrb.org. The results of the review will be communicated to the carrier within 30 days of receipt.

4. Carriers wishing to appeal the decision of the Director of Insurance Operations may request review of such decision by the Governing Committee of the North Carolina Rate Bureau. All appeals submitted to the Governing Committee will be reviewed at the next regularly scheduled Governing Committee meeting.

B. Follow-up for Late Fines

1. On a monthly basis, carriers will receive detailed information regarding all outstanding fines.

2. Carriers with fines 90 days past due will receive a follow-up letter from the Bureau notifying them of the outstanding balance and requesting prompt remittance of payment. The initial communication will be sent to the company contact responsible for the submission of the data.

3. If no response is received within 30 days, a second follow-up letter will be sent. The second letter will be sent to the company contact responsible for the submission of the data and the President and/or CEO of the company. If the outstanding balance is in excess of $10,000, contact is also made with the CFO.

4. If no response is received within the next 30 days, a third follow-up letter will be sent to the President and/or CEO of the company. The third letter will specify such action as appropriate including escalation to the North Carolina Rate Bureau's Governing Committee or to regulatory authorities.

POLICY DATA TIMELINESS AND QUALITY PROGRAM TRAINING REQUEST FORM

This form is being completed because you are interested in receiving training and further information regarding the Policy Data Timeliness and Quality Program.

If you are completing this form for multiple individuals in your Company, please indicate the number of possible participants

Name:

Company Name:

Phone Number:

Email Address

Number of Participants:

We will send an email meeting request with instructions for web conferencing information as we approach the implementation date of November 1, 2014.

Please email the form to industrysupport@ncrb.org or fax to (919) 783-7467.

POLICY EXPIRATION LIST REQUEST FORM
Please type or print legibly using dark ink

First Name [   ] MI [   ] Last Name [   ]

Company Name [   ]

Mailing Address [   ]

City [   ] State [   ] Zip [   ]

Email Address [   ]

Telephone [(   )] Fax [(   )]

Please complete form and send to industrysupport@ncrb.org or by fax at (919) 783-7467.