



## Pennsylvania Compensation Rating Bureau

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August 8, 2001

### **BUREAU CIRCULAR NO. 1424**

To All Members of the Bureau (**SPECIAL ATTENTION OF CEOs**):

Re: **SUBMISSION OF PAPER POLICY INFORMATION**

The following narrative relates to the reporting of policy information, as required in Pennsylvania, electronically. Any carrier group not currently reporting its policy information electronically is urged to contact the following Bureau employee for information about initiating electronic reporting as soon as possible:

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Systems and Programming  
Pennsylvania Compensation Rating Bureau  
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Policy information is required to be submitted to the PCRB and is used in several ways critical to the performance of our responsibilities. Among other things, policy information provides the basis for proof-of-coverage records accessed on-line by the Department of Labor & Industry and is also used as the basis for enforcing reporting requirements of the Statistical Plan as approved by the Pennsylvania Insurance Commissioner.

Formats and procedures providing for uniform submission of workers compensation policy documents electronically in all jurisdictions have been in place for over 15 years. These standards are being used successfully to report a substantial majority of policy information in other states. Despite the longstanding availability of these tools, however, the PCRB continues to receive most of the policy information submitted by our members in paper form.

Paper policy submissions are necessarily more expensive for the PCRB to process than their electronic counterparts. More importantly, paper submissions simply cannot be processed as rapidly or as accurately as electronic reports. Thus, paper submissions delay and degrade the utility of policy information within the PCRB's systems, as well as for key outside constituencies.

In order to comply with performance standards established by the Governing Board, the PCRB must receive policy information in electronic form. Accordingly, the Governing Board has approved a schedule of charges to be applicable to submission of paper policy information as outlined below:

Policy <b>Effective</b> Date On or After	Charge per Paper Policy
July 1, 2002	\$25
January 1, 2003	\$50

Invoices based on paper policies recorded at the Bureau with effective dates on or after July 1, 2002 will be issued on a quarterly basis, with the first series of invoices issued in October 2002 based on policies recorded during the months of July, August and September. Subsequent invoices will be issued in January 2003 (based on policies with effective dates on or after July 1, 2002 recorded at the Bureau during the months of October, November and December 2002), etc.

In approving the above schedule of charges the Governing Board has considered the additional processing costs associated with paper reports, the impaired timeliness and the greater incidence of errors inherent in paper reports as compared to electronic submissions.

The objectives of these processing charges are to provide an incentive for carriers to use the established technology available to submit policy information electronically and to more equitably assign the processing costs between PCRB members.

The Governing Board has provided a temporary exception to the above charges for any carrier groups that write fewer than 100 Pennsylvania policies per year. For policies effective from July 1, 2002 through June 30, 2003 this exception will be provided to carrier groups that submitted fewer than 100 policies with effective dates falling within the 12 months ending December 31, 2001. These exceptions are subject to review and revision (including rescission) in the event that an on-line entry system capable of preparing and submitting electronic policy information is made available to these smaller carrier groups.

During the Third Quarter of 2001, each carrier group currently reporting policy information on paper will be advised of their potential annual costs of continuing such paper reporting based on policies written in Calendar Year 2000. Additional reminders may be issued periodically to insure awareness of the significance of this program on the part of all affected members of the Bureau.

**All PCRB members are advised that any carrier(s) failing to submit policy information in a timely fashion on or after July 1, 2002, in paper form if necessary, will be referred to the Governing Board for appropriate disciplinary action.**

**In mid-2003 the Governing Board will review the status of policy information reporting and will take further action, if any, that it deems appropriate. If paper policy information subject to charges under the above program continues to be submitted, additional increases to the above schedule may be imposed consistent with the objective of eliminating submission of paper policy information as quickly as possible.**

Timothy L. Wisecarver  
President

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CEOs, A, D