

FLAHIVE, OGDEN & LATSON

ADVISORY NO. 5

TOPIC: Detailed Claim Information Reports and Unit Stat Reports

DISCUSSION: By Board Order No. 57087, the State Board of Insurance outlined general reporting requirements for workers' compensation detailed claim data required by the Legislature as a part of the workers' compensation reform in Senate Bill 1. The Detailed Claim Information reports (DCI's) are required for each claim in which the total incurred loss for indemnity and medical benefits is \$5,000.00 or more are of six months after the date that the claim is reported to the insurer. Accordingly, the DCI report is triggered by the reserving or loss payment on each and every claim exceeding \$5,000.00. The unit stat report, the basis historically used by the State Board of Insurance for determining loss payments on workers' compensation policies, will continue to be required. The unit stat report is filed for each policy within six months of the expiration date of the policy. Insurers will be required to file both reports.

The new DCI requirements will apply to all insurers or entities admitted to do business or authorized to write workers' compensation insurance in the State of Texas. Reports must be submitted on an individual insurer basis. Group reporting will not be permitted.

The State Board of Insurance will utilize the expanded DCI system as the reporting mechanism. The completed DCI statistical plan is scheduled to be finalized by January of 1991. We will monitor this with the State Board of Insurance and keep you apprised.

DCI reports will be required on all claims occurring on or after January 1, 1991. This report must be filed within two months after the reserve is established or the loss is paid triggering the obligation to file the DCI. Subsequent reports will be required at twelve month intervals, and thereafter for as long as the claim remains open, or through the ninth report, whichever comes first.

Reports must be submitted to the Texas State Board of Insurance on the form attached as Appendix 1. The reports may be submitted in electronic format. Beginning September 1, 1993, each carrier writing at least one-half of one percent of total Texas workers' compensation premiums must submit all DCI reports in an electronic format.

Please note that the Texas Unit Statistical Plan, heretofore required by the State Board of Insurance, is amended to include new data elements related to Senate Bill 1. For all claims resulting from injuries occurring on or after January 1, 1991, Benefit Types must be reported in lieu of the current Injury Types. Furthermore, for policies effective on or after January 1, 1991, eight different additional information fields will be required. If you require further information relating to the DCI, contact Kathy Hall at the State Board of Insurance at phone number 512-

475-3016. For questions relating to the Unit Statistical Plan, contact Rex Wimmer at the State Board of Insurance, phone number 512-475-3025.

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