

ADVISORY NO. 328
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**TOPIC: ELECTRONIC SUBMISSION OF PROOF OF COVERAGE
(COMMERCIAL CARRIERS)**

Attached is TWCC Advisory 2002-07 imposing two deadlines with respect to Proof of Coverage.

- August 31, 2002 - Date after which TWCC will no longer accept submissions by copy, fax or email of TWCC-20, TWCC-20A and TWCC-205 unless a Request for Coverage Information letter was received prior to September 1, 2002.
- September 1, 2002 - Effective date that all commercial insurance carriers licensed to write workers' compensation insurance in Texas are required to submit proof of coverage information via Commission-designated data collection agents.

Self-Insured Governmental Entities and Certified Self-Insureds are not affected by this change.

Please refer this advisory to your underwriting department.

TWCC ADVISORY 2002-07

SUBJECT: Electronic Submission of Proof of Coverage (Commercial Carriers)

The Texas Workers' Compensation Commission (Commission) is requiring electronic filing of Proof of Coverage information by insurance companies (commercial insurance carriers) as part of its Business Process Improvement Project. Self-Insured Governmental Entities and Certified Self-Insureds are not affected by this change. The Commission has designated two data collection agents: The National Council on Compensation Insurance, Inc. (NCCI), and Insurance Services Office, Inc. (ISO), to submit Proof of Coverage information to the Commission in accordance with the Texas Labor Code §§401.024(c), 402.042(b)(11) and 406.009 and Rule 110.1. (Contact information is provided in an attachment).

Effective September 1, 2002, all commercial insurance carriers licensed to write workers' compensation insurance in Texas are hereby required to submit proof of coverage information to one of the two Commission-designated data collection agents. The choice of agent is the carrier's. The method of communicating the Proof of Coverage information to the designated data collection agent is by agreement of the carrier and the designated data collection agent. Rule 110.1 identifies the specific filing requirements and timeframes for carriers to provide coverage information. Both designated data collection agents offer the option of receiving the Workers' Compensation Policy Reporting Specifications (WCPOLS) reports and extracting the International Association of Industrial Accident Boards and Commissions (IAIABC) Proof of Coverage data requirements for transmission to the Commission.

After August 31, 2002, the submission of the TWCC-20, TWCC-20A, and TWCC-205 via hard copy, fax or email will not be accepted by the Commission, unless a "Request for Coverage Information" letter was received prior to September 1, 2002, in which case the response to the letter must be sent to the Commission. It will not be necessary for a carrier to resubmit coverage information to the designated data collection agent if the information was submitted to and received by the Commission in hard copy format prior to September 1, 2002.

Filing Requirements: Submission of coverage information to one of the data collection agents constitutes providing coverage information to the Commission only if the submitted information is accurate and complete and includes all mandatory proof of coverage information contained in the attached State of Texas Profile. Transactions submitted to a designated data collection agent will be edited by the designated data collection agent using IAIABC standard Proof of Coverage edits and other edits agreed to by the designated data collection agent and the Commission. If the transaction does not pass these edits, the transaction will be rejected by the designated data collection agent and will not be forwarded to the Commission. If the Commission identifies problems with the information as submitted by the designated data collection agent that are attributable to the carrier, the transaction will be rejected and the Commission will directly notify

the carrier to submit a corrected transaction to the data collection agent. The carrier is not considered to have “provided” the coverage information to the Commission and timeliness of filing continues to accrue until a transaction/transmission which meets the specifications of the Commission and the designated data collection agent is received and accepted by the designated data collection agent. The date received, or “date stamp”, is the date that complete, acceptable information is received by the designated data collection agent.

Acknowledgement of Commission receipt will be sent to the submitting designated data collection agent. The designated data collection agent will forward this acknowledgment to the commercial carrier. The acknowledgment means that the information passed the edits applied by the designated data collection agent and has been received by the Commission.

This move to electronic filing of Proof of Coverage data is part of the Commission’s Business Process Improvement Project. Data accuracy and completeness are essential objectives of this project. To complement this objective, commercial carriers submitting Proof of Coverage data to their selected designated data collection agent via Workers’ Compensation Policy Reporting Specifications (WCPOLS) transactions must ensure that name and address linking is complete for all transactions. It is also critical that coverage information submitted with a claim first report of injury (EDI 148 transaction: Employer FEIN, DN-16; Policy Number, DN-28; and Policy Effective Date, DN29) exactly match these same elements submitted through the Proof of Coverage process for the associated coverage (policy).

Questions concerning this change in process should be directed to Robin Miksch, Chief, Records Processing, (512) 804-4372, robin.miksch@twcc.state.tx.us.

Signed this 15th day of May, 2002

Richard F. Reynolds, Executive Director

Attachments:

Texas State Profile

Designated Data Collection Agent Contact Information

Distribution: TWCC Staff
Carrier Representatives
Forms Notification List
Public Information List
TWCC Website

TEXAS STATE PROFILE

REQUIRED IAIABC TRANSACTIONS

Texas will use all IAIABC Proof of Coverage transactions, except Binder transactions, as specified in the IAIABC Proof of Coverage Release 2 Implementation Guide. Binder transactions are not accepted in Texas.

EDITS BY DATA COLLECTION AGENT

All IAIABC edits will be accomplished.

All Texas mandatory fields and appropriate conditional fields must be present.

WCPOLS transactions must contain all appropriate name and address records, including Name Link Codes, to identify all entities covered by the policy.

FIELD REQUIREMENTS (R/C/O, Required/Conditional/Optional)

HEADER RECORD LAYOUT					
ELEM #	LOCATION	LENGTH	GROUPING	FIELD NAME	TEXAS
DN001	1 - 3	3	Transaction	Transaction Set ID	R
DN098	4 - 28	25	Sender	Sender ID	-
		9		Sender Fein	R
		7		Filler	-
		9		Sender Postal Code	R
DN099	29 - 53	25	Receiver	Receiver ID	-
		9		Receiver Fein	R
		7		Filler	-
		9		Receiver Postal Code	R
DN100	54 - 61	8	Transmission	Date Transmission Sent	R
DN101	62 - 67	6		Time Transmission Sent	R
DN102	68 - 75	8		Original Transmission Date	C ¹
DN103	76 - 81	6		Original Transmission Time	C ¹
DN104	82 - 82	1		Test/Prod Indicator	R
DN105	83 - 87	5		Interchange Version ID	-
		3		Transmission Type Code	R
		2		Version Number	R

TRAILER RECORD LAYOUT					
ELEM #	LOCATION	LENGTH	GROUPING	FIELD NAME	TEXAS
DN001	1 - 3	3	Transaction	Transaction Set ID	R
DN106	4 - 12	9		Detail Record Count	R

INSURED RECORD LAYOUT					
ELEM #	LOCATION	LENGTH	GROUPING	FIELD NAME	TEXAS
DN001	1 - 3	3	Transaction	Transaction Set ID	R
DN107	4 - 12	9		Record Sequence Nbr	R

DN300	13 - 14	2		Transaction Set Purpose Code	R
DN302	15 - 22	8		Jurisdiction Designee Received Date	R
DN002	23 - 24	2		Transaction Set Type Code	R
DN303	25 - 26	2		Transaction Reason Code	R
DN304	27 - 34	8		Transaction Set Type Effective Date	R
DN006	35 - 43	9	Insurer	Insurer Fein	R
DN007	44 - 73	30		Insurer Name	R
DN305	74 - 103	30		Issuing Office Name	O
DN306	104 - 133	30		Issuing Office Address Line 1	O
DN307	134 - 163	30		Issuing Office Address Line 2	O
DN308	164 - 193	30		Issuing Office City	O
DN309	194 - 195	2		Issuing Office State	O
DN310	196 - 204	9		Issuing Office Postal Code	O
DN311	205 - 234	30	Agency	Issuing Agency Name	O
DN312	235 - 264	30		Issuing Agency City	O
DN313	265 - 266	2		Issuing Agency State	O
DN314	267 - 275	9	Insured	Insured Fein	R
DN017	276 - 365	90		Insured Name	R
DN315	366 - 395	30		Insured Address Line 1	R
DN316	396 - 425	30		Insured Address Line 2	C ²
DN317	426 - 455	30		Insured City	R
DN318	456 - 457	2		Insured State	R
DN319	458 - 466	9		Insured Postal Code	R
DN320	467 - 476	10		Insured Telephone Number	O
DN321	477 - 477	1		Business Market	R
DN322	478 - 478	1		Wrap-Up Indicator	R
DN323	479 - 480	2		Insured Legal Status	O
DN028	481 - 498	18	Policy	Policy Number	R
DN333	499 - 499	1		Employee Leasing Policy Identification	R
DN332	500-500	1		Minimum Premium Indicator	O
	501 - 510	10		Filler	
DN029	511 - 518	8		Policy Effective Date	R
DN030	519 - 526	8		Policy Expiration Date	R
DN324	527 - 544	18		Prior Policy Number	C ³
	545 - 556	12		Filler	
DN325	557 - 564	8		Assignment Date	O
DN004	565 - 566	2	Jurisdiction	Jurisdiction	R
DN326	567 - 570	4		Governing Class	O
DN327	571 - 581	11		Total Payroll	O
DN328	582 - 585	4	Employer Cnt	Number of Employers	R

EMPLOYER RECORD LAYOUT

ELEM #	LOCATION	LENGTH	GROUPING	FIELD NAME	TEXAS
DN001	1 - 3	3	Employer Segment	Transaction Set ID	R
DN107	4 - 12	9		Record Sequence Nbr	R
DN016	13 - 21	9		Employer Fein	R

DN329	22 - 36	15		Employer UI Code	O
DN018	37 - 96	60		Employer Name	R
DN019	97 - 126	30		Employer Address Line 1	R
DN020	127 - 156	30		Employer Address Line 2	C ²
DN021	156 - 171	15		Employer City	R
DN022	172 - 173	2		Employer State	R
DN023	174 - 182	9		Employer Postal Code	R
DN025	183 - 188	6		Industry Code	O
DN330	189 - 194	6		Number of Employees	O
DN331	195 - 202	8		Employer Notification Date	C ⁴

POC ACKNOWLEDGMENT RECORD LAYOUT

ELEM #	LOCATION	LENGTH	GROUPING	FIELD NAME	TEXAS
DN001	1 - 3	3	Detail Acknowledgment	Transaction Set ID	R
DN107	4 - 12	9		Record Sequence Nbr	R
DN108	13 - 20	8		Date Processed	R
DN109	21 - 26	6		Time Processed	R
DN006	27 - 35	9		Filler	-
DN014	36 - 44	9		Filler	-
DN008	45 - 53	9		Filler	-
DN110	54 - 56	3		Acknowledgment Transaction Set ID	R
DN111	57 - 58	2		Application Acknowledgment Code	R
DN026	59 - 83	25		Filler	-
DN015	84 - 108	25		Filler	-
DN005	109 - 133	25		Filler	-
DN002	134 - 135	2		Filler	-
DN003	136 - 143	8		Filler	-
DN112	144 - 146	3		Request Code (Purpose)	R
DN113	147 - 206	60		Free form text	-
DN114	207 - 208	2		Nbr of errors	R
				Variable Segment Occurs Number of Error Times	
DN115	209 - 212	4	Error Code	Element Number	C ⁵
DN116	213 - 215	3		Element Error Number	C ⁵
DN117	216 - 217	2		Variable Segment Number	C ⁵

C¹ – Required on header record for AK1.

C² – The Address Line 2: R when information is provided in that field by the sender.

C³ - Prior Policy Number: R only for renewal coverage. If there is no prior term (New Business policies), leave blank.

C⁴ - Employer Notification Date: R for all cancellations and non-renewals.

C⁵ – Used only when errors exist.

DESIGNATED DATA COLLECTION AGENTS

The following data collection agents have been designated by the Texas Workers' Compensation Commission in accordance with §§401.024(c), 402.042(b)(11) and 406.009 of the Texas Labor Code to collect Proof of Coverage data on behalf of the Commission.

National Council on Compensation Insurance, Inc. (NCCI)

Customer Service Center

901 Peninsula Corporate Circle

Boca Raton, Florida 33487

1-800-NCCI 123 (800-622-4123)

customer_service@ncci.com

Insurance Services Office, Inc. (ISO)

Attn: Customer Support

545 Washington Blvd

Jersey City, NJ 07310-1686

1-800-888-4476

ISOnet@iso.com