Federal Act Coverage and Reporting

January 26–29, 2016
Palm Beach County Convention Center
West Palm Beach, FL
Objective

To provide an overview of Federal Act Coverage programs and discuss data reporting requirements across multiple data types.
**Agenda**

- Overview of Data Types and Coverage
- Federal Act Coverage Programs

**Data Types Usage**

- **Policy Data**
  - Proof of Coverage
  - URC Program
  - Premium Trends
  - Exposure Trends

- **Financial Call Data**
  - Statewide Premium Level Indications
  - Industry Results

- **Unit Statistical Data**
  - Experience Rating
  - Class Rates/Loss Costs
  - Legislative Analysis

- **Detailed Claim Information**
  - Legislative Analysis
  - Research

- **Medical Call Data**
  - Legislative Analysis
  - Research
State vs. Federal Workers Compensation

- Workers compensation laws protect people who are injured on the job
- Designed to ensure that injured employees are provided with fixed monetary awards, eliminating the need for litigation
- State statutes establish this framework for most employment
- Federal statutes are limited to federal employees or workers employed in some aspects of interstate commerce

Topics

- Federal Employers’ Liability Act (FELA)
- Admiralty Law
- United States Longshore & Harbor Workers’ Compensation Act (USL&HW Act)
- Extensions of the USL&HW Act
- Texas Classes for Oil and Gas Industry
- Defense Base Act
- Federal Mine Safety and Health Act
- National Defense Projects Rating Plan
- Atomic Energy
**Federal Employers’ Liability Act (FELA)**

- Protects and compensates railroad workers injured on the job
- Railroads engaged in interstate commerce are liable for injuries to employees if the railroads have been negligent
- Compensation is not intended to be awarded automatically
- Requires the injured railroad worker to prove that the railroad was “legally negligent,” at least in part, in causing the injury
- FELA is not available in the residual market where NCCI is the Plan Administrator

*Basic Manual* Rule 3-A-4:

**FELA Coverage**

- FELA Program I
- Standard Workers’ Compensation and Employers Liability Policy WC 00 00 00 B
- Federal Employers’ Liability Act Coverage Endorsement WC 00 01 04 A
FELA Coverage With Voluntary Compensation

FELA Program II

Standard Workers Compensation and Employers Liability Policy
WC 00 00 00B

FELA Coverage With Voluntary Compensation and USL&HW Act

FELA Program II

USL&HW Act

Standard Workers Compensation and Employers Liability Policy
WC 00 00 00B

Federal Employers’ Liability Act Coverage Endorsement
WC 00 01 04 A

Voluntary Compensation and Employers Liability Coverage Endorsement
WC 00 03 11 A

Longshore and Harbor Workers’ Compensation Act Coverage Endorsement
WC 00 01 06 A
Classification Groups

Basic Manual User’s Guide

<table>
<thead>
<tr>
<th>Code Number</th>
<th>Federal Employers’ Liability Act</th>
<th>Program I</th>
<th>Program II</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Railroad Construction—all operations including clerical, salespersons, and drivers</td>
<td>6702</td>
<td>6704</td>
</tr>
</tbody>
</table>

Loss Cost/Rate pages
—Displays Class Codes with ‘M’ suffix (e.g., 6702M)

Admiralty Law

- Also known as Jones Act, Merchant Marine, Maritime Law
- Provides seamen with the same protection from employer negligence as FELA provides railroad workers
- Employees can bring action against their employer for negligence
- Maritime Endorsement WC 00 02 01B
- Transportation, wages, maintenance, and cure (TWMC)
  - Transportation—returning injured worker back to shore
  - Wage—salary
  - Maintenance—living expenses
  - Cure—medical expenses
- To provide coverage for TWMC, premium charge is entered in endorsement or in Item 2

**Basic Manual** Rule 3-A-4
Admiralty Law

Maritime Program I  +  Maritime Coverage Endorsement WC 00 02 01A

Standard Workers Compensation and Employers Liability Policy WC 00 00 00B

Admiralty Law With Voluntary Compensation

Maritime Program II  +  Maritime Coverage Endorsement WC 00 02 01A

Standard Workers Compensation and Employers Liability Policy WC 00 00 00B

Voluntary Compensation Maritime Coverage Endorsement WC 00 02 03
Admiralty Law With Voluntary Compensation and USL&HW Act

Maritime Program II USL&HW Act

Standard Workers Compensation and Employers Liability Policy WC 00 00 00B

Maritime Coverage Endorsement WC 00 02 01A

Voluntary Compensation Maritime Coverage Endorsement WC 00 02 03

Longshore and Harbor Workers’ Compensation Act Coverage Endorsement WC 00 01 06A

Classification Groups

Basic Manual User’s Guide

<table>
<thead>
<tr>
<th>3. Program I and Program II Classification Comparison Tables</th>
<th>Code Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classifications</td>
<td>Program I</td>
</tr>
<tr>
<td></td>
<td>State Act Benefits</td>
</tr>
<tr>
<td>Boat Livery—boats under 15 tons</td>
<td>7038</td>
</tr>
<tr>
<td>This classification includes the laying up or putting into commission of boats. Boats 15 tons or over to be separately rated under the appropriate vessels classification.</td>
<td></td>
</tr>
</tbody>
</table>

Loss Cost/Rate pages
—Displays Class Codes with ‘M’ suffix (e.g., 7038M)
Reporting FELA/Admiralty Law

Policy:

<table>
<thead>
<tr>
<th>Program Type</th>
<th>FELA (Interstate Railroad Workers) Endorsements</th>
<th>Admiralty/Maritime* (Master/Crew Members) Endorsements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program I</td>
<td>WC000104A</td>
<td>WC000201A</td>
</tr>
<tr>
<td>Program II</td>
<td>Program I &amp; WC000311A</td>
<td>Program I &amp; WC000203</td>
</tr>
<tr>
<td>Program II (USL&amp;HW)</td>
<td>Programs I &amp; II and WC000106A</td>
<td>Programs I &amp; II and WC000106A</td>
</tr>
</tbody>
</table>

For Exposure Act Code, report either:
- Class codes under Program I and II, report 01
- Class codes under Program II (USL&HW), report 02

Unit Statistical:
- For Exposure Act Code, report either:
  - Class codes under Program I and II, report 01
  - Class codes under Program II (USL&HW), report 02
- For Loss Conditions Act Code
  - Class codes under Program I and II, report 01
  - Class codes under Program II—USL&HW Act, report 01 or 02 for Loss Conditions Act Code, depending on benefits
- For jurisdiction state, report 00 for federal benefits or appropriate state code for state benefits
- TWMC
  - Any applicable premium charge is not reportable—no designated statistical code
  - Losses and expenses related to TWMC are included in incurred/paid medical and indemnity loss amounts
Reporting FELA/Admiralty Law

- **Financial Calls:**
  - Guidebook includes list of all maritime and FELA class codes
  - Exclude FELA/Maritime data from ratemaking calls, but report as a line item on Call #8
  - Include in supplemental calls (#1, #1A–#1D, #14, #19, #26 addendum to Call #19 section)

- **DCI:**
  - Exclude claims where benefits are payable under a Federal Act (Admiralty, USL&HW, FELA, Jones Act, or Coal Mine Acts)

- **Medical Call Data:**
  - Claims subject to medical transactions

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**Quiz**

Railroad workers engaged in interstate commerce need _______ coverage.
Quiz

__________________ provides seamen with the same protection from employer negligence as FELA.

Quiz

FELA and/or Admiralty coverage are added to the standard WC Policy by ________________.
**United States Longshore and Harbor Workers’ Compensation Act (USL&HW)**

- A federal WC law that applies to workers in maritime employments—including longshore, harborworkers, shipbuilders, ship breakers, and ship repairers
- It **does not** apply to masters or crews of vessels
- Compensation benefits to workers for an employment-related injury or disease occurring on the *navigable waters* of the United States or adjoining shore-side areas

*Basic Manual* Rule 3-A-4

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**Status and Situs**

- Status is an occupational concept that determines if the “work performed” or “duty” is considered maritime employment
- Situs is a geographical concept that determines if the “place” of injury is considered an area used by an employer for maritime work
- Added to the Standard Policy by attaching Endorsement (WC 00 01 06A)
**USL&HW Extensions**

- **Defense Base Act (DBA)**
  - Covers workers engaged in employment on overseas defense bases or under contract with the US government (NOT military personnel)

- **Nonappropriated Funds**
  - Covers morale, welfare, and recreation workers on US military installations in continental US and overseas

- **Outer Continental Shelf Lands Act**
  - Extends benefits when an injury occurs while work is conducted on the Outer Continental Shelf for the purpose of exploring, developing, removing, or transporting natural resources by pipeline
Jurisdictional Benefits

- **Exclusive**
  - State or Federal Only

- **Concurrent**
  - State and Federal

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**USL&HW**

*Basic Manual* Rule 3-A-4

Classifications, loss costs, or rates subject to USL&HW Act

- **F-Classification codes**
  - Most F-classification codes have corresponding State Act classification codes
  - Example: Freight Handling NOC
    - Code 7350F provides coverage under the U.S. Longshore and Harbor Workers’ Compensation Act (USL&HW Act)
    - Code 7360 provides coverage under the individual state acts

- **Industrial classification codes**
  - Where loss cost/rate is increased for USL&HW Act benefits
USL&HW Example

Found on the NCCI advisory loss cost and/or rate pages in NCCI’s Basic Manual

Example using Florida rates effective 01/01/14:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Payroll</th>
<th>Rate</th>
<th>LHWCA Factor</th>
<th>Adjusted Rate</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>6872F</td>
<td>$75,000</td>
<td>18.36</td>
<td>n/a</td>
<td>18.36</td>
<td>$13,770</td>
</tr>
<tr>
<td>5403</td>
<td>$75,000</td>
<td>11.96</td>
<td>2.21</td>
<td>26.43</td>
<td>$19,823</td>
</tr>
</tbody>
</table>

Reporting USL&HW

Policy:

- Report applicable endorsements
- For Exposure Act Code, report 02
- Federal Coverage Service
  - State Premium Record—Record Type 04 (one or more NCCI states on policy)
  - Exposure Record—Record Type 05
    - F-Class Codes (‘F’ suffix ex., 6803F) (refer to Policy and Proof of Coverage Reporting Guidebook for listing)
    - Exposure Act Code 02 (F-class and Non-F-class loaded)
  - Endorsement Identification Record—Record Type 07 (must include one or more of the federal USL&HW endorsement numbers)
Reporting USL&HW

Unit Statistical:

- For Exposure Act Code, report 02
- For Loss Condition Act, 02 or 01 depending on benefits
  - Exception: Claims associated with Classification Code 9077F – United States Armed Service Risks must be reported with Loss Conditions Act Code 02
  - Revised Edit 0037-29 includes additional Maritime and F-Classification Codes that must be reported with Exposure Act Code 02
- For jurisdiction state, report 00 for federal benefits or appropriate state code for state benefits

Financial Calls:

- Guidebook lists all F-class codes
- Exclude F-class data from ratemaking calls, but report as a line item on Call #8
- Include Industrial Codes—“F”-loaded
- Include in supplemental calls (#1, #1A–#1D, #14, #19, #26 addendum to Call #19 section)

DCI:

- Exclude claims where benefits are payable under a Federal Act (Admiralty, USL&HW, FELA, Jones Act, or Coal Mine Acts)

Medical Call Data:

- Claims subject to medical transactions
Texas Classes for Oil, Gas, or Other Minerals Over Water

- **Experience Rating Plan**
  - Classifications for oil, gas, or other minerals on or over water

- **Statistical Plan—Part 6—Coding Values**
  - Oil, Gas, or Other Minerals Over Water Coverage
  - G. Exposure Act/Exposure Coverage Codes
    - State Act (Code 05)
    - USL&HW (Code 08)
  - K-1. Act—Loss Condition Codes
    - State Act (Code 05)
    - USL&HW (Code 08)

Defense Base Act (DBA)

- Can be written as a monoline coverage – not part of a standard W/C policy
  - Specialized foreign workers compensation coverage for employees working outside of the United States

- Federal Coverage Service
  - Reported data to NCCI in a special federally approved format
  - Data file sent to the US DOL Division of Longshore and Harbor Workers’ Compensation (DLHWC)
Quiz

_________ is a federal coverage that provides workers compensation and employers liability to shipbuilders, ship repairers, and ship breakers.

Quiz

Daily electronic files are sent to the US Department of Labor for reported monoline__________________ policies.
Quiz

The _____________ industry in Texas has federal codes for work done over water.

Quiz

USL&HW has _______________ extensions available through endorsement.
Federal Mine Safety and Health Act
(Coal Mine Disease)

Basic Manual Rule 3-A-12:

- Disease coverage provided for risks subject to the Act
- Advisory loss costs/rates and any underlying state law coverage for disease are shown separately on the state pages
- In states where there are no coal mines, the state pages will not include information for this coverage
- Available by endorsement (WC 00 01 02 A)

Coal worker’s pneumoconiosis (black lung) is a lung disease that results from breathing in coal dust over a long period of time. Refer to US DOL for complete black lung definition.
### Black Lung Disease Exposure/Loss

<table>
<thead>
<tr>
<th>Exposure Coverage/Loss Condition Act</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>State Act</td>
</tr>
<tr>
<td>03</td>
<td>Federal Mine Safety and Health Act</td>
</tr>
<tr>
<td>04</td>
<td>Federal Mine Safety and Health Act and the State Act</td>
</tr>
</tbody>
</table>

### Reporting Coal Mine Class Codes

<table>
<thead>
<tr>
<th>Exposure/Experience</th>
<th>Class/Stat Code</th>
<th>Exposure Act (Coverage)</th>
<th>Loss Condition Act (Benefits Paid/Payable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underground Traumatic or OD</td>
<td>1016</td>
<td>State 01</td>
<td>State 01</td>
</tr>
<tr>
<td>Underground Black Lung Disease Experience</td>
<td>0158</td>
<td>State 01</td>
<td>State 01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fed 03</td>
<td>Fed 03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State/Fed 04</td>
<td>State 01 Fed 03 State/Fed 04</td>
</tr>
<tr>
<td>Surface Traumatic or OD</td>
<td>1005 (1165–Texas)</td>
<td>State 01</td>
<td>State 01</td>
</tr>
<tr>
<td>Surface Black Lung Disease Experience</td>
<td>0156</td>
<td>State 01</td>
<td>State 01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fed 03</td>
<td>Fed 03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State/Fed 04</td>
<td>State 01 Fed 03 State/Fed 04</td>
</tr>
</tbody>
</table>
### Non-Coal Mine Class Codes

<table>
<thead>
<tr>
<th>Exposure/Experience</th>
<th>Class/Stat Code</th>
<th>Exposure Act (Coverage)</th>
<th>Loss Condition Act (Benefits Paid)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Operations (Non-Coal Mine) Traumatic or OD</td>
<td>7228</td>
<td>State 01</td>
<td>State 01</td>
</tr>
<tr>
<td></td>
<td>(e.g., Trucking)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Operations Black Lung Disease Experience</td>
<td>0164</td>
<td>State 01</td>
<td>State 01</td>
</tr>
<tr>
<td></td>
<td>(0161 or 0162–Virginia)</td>
<td>Fed 03</td>
<td>Fed 03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State/Fed 04</td>
<td>State 01 Fed 03 State/Fed 04</td>
</tr>
</tbody>
</table>

### Reporting Federal Black Lung Disease Loss Fields

<table>
<thead>
<tr>
<th>Loss Condition Act</th>
<th>Jurisdiction State</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>00</td>
</tr>
<tr>
<td>04</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loss Condition Act</th>
<th>Loss Condition—Type of Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>02—Occupational Disease</td>
</tr>
<tr>
<td>04</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loss Condition Act</th>
<th>Part of Body</th>
<th>Nature of Injury</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>60—Lungs (Example)</td>
<td>60—Dust Disease, NOC</td>
</tr>
<tr>
<td>04</td>
<td>62—Black Lung</td>
<td>64—Silicosis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Federal Coverage Service for Federal Mine Safety and Health Act

- State Premium Record—Record Type 04 (one or more NCCI states on policy)
- Exposure Record—Record Type 05
  - Federal Coal Mine Classification or Statistical Code (refer to Policy and Proof of Coverage Reporting Guidebook for listing)
  Or
  - Exposure Act Code 03 or 04
- Endorsement Identification Record—Record Type 07—Must include the Federal Mine Safety and Health Act coverage endorsement number
- Daily electronic file to US Department of Labor

Reporting for Federal Mine Safety and Health Act

Financial Call
- Ratemaking Calls
  - Unground Coal Mine:
    - For all states, except VA*, do not report any underground coal mine experience (traumatic, OD, and black lung) except as a reconciliation item on Call #8
  - Surface Coal Mine:
    - For all states, except VA*, report any surface coal mine experience for traumatic and OD other than black lung. Do not report any surface coal mine experience for OD-black lung except as a reconciliation item on Call #8
  *VA experience for all coal mine risks is reported on VA state-specific coal mine calls (#32A, #32V, #33)
- 1165—Texas Coal Mine NOC—Traumatic and OD other than black lung
National Defense Projects Rating Plan (NDPRP)

Retrospective Rating Plan run by US Department of Defense (DoD)

- Intended to provide insurance to an eligible contractor at lower costs
- Covers employees of contractor and all subcontractors working at the same location

Eligibility

- Government contracts represent at least 90% of the payroll for operations at specific location
- Estimated annual premium for insurance is at least $10,000

Previously Comprehensive Rating Plan; not to be confused with the Defense Base Act

Reporting National Defense Experience

<table>
<thead>
<tr>
<th>Coverage Type</th>
<th>Policy/POC</th>
<th>Unit Statistical</th>
<th>Financial</th>
<th>DCI</th>
<th>Medical Data Call</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Defense Projects Rating Plan (Comprehensive Rating Plan)</td>
<td>Only if POC requirement</td>
<td>Not Reportable</td>
<td>Report on: • Call #8</td>
<td>Not Reportable</td>
<td>Not Reportable</td>
</tr>
<tr>
<td>Other National Defense Projects (Guaranteed Cost or Other Retro Plan)</td>
<td>Reportable</td>
<td>Reportable</td>
<td>Reportable in All Calls</td>
<td>Subject to Claim Sampling</td>
<td>Subject to Medical Transactions</td>
</tr>
</tbody>
</table>

Remember: Reporting NDPRP policies requires you to deactivate the URC
Atomic Energy

- Work performed for or under the direction of the Nuclear Regulatory Commission (NRC) or government agency
  - Projects that involve the operations of, or experimental work on, nuclear reactors
  - Rates agreed upon between Carrier, Contractor, NRC
  - Class Code—9984 (Atomic Energy—Project Work)

- Work *not* performed for or under the direction of the NRC or government agency
  - Work that involves research, manufacturing, transportation, or exposure to radioactive materials
  - Rates based on general rates for job classifications that normally describe operation
  - Class Code 9985 (Atomic Energy: Radiation Exposure NOC)

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### Reporting Atomic Energy

<table>
<thead>
<tr>
<th>Policy/POC</th>
<th>Unit Statistical</th>
<th>DCI</th>
<th>Medical Data Call</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRC/Gov’t Involvement</td>
<td>Only if POC Requirement 9984</td>
<td>Not Reportable</td>
<td>Not Reportable</td>
<td>Not Reportable</td>
</tr>
<tr>
<td>No NRC/Gov’t Involvement</td>
<td>Class code 9985</td>
<td>Class code 9985 Premium, Losses</td>
<td>Claim Subject to Medical Transactions</td>
<td>Report on Calls #8, #1, #1A, #19, #26 (Call 19 addendum)</td>
</tr>
</tbody>
</table>

Remember: Reporting atomic policies, **WITH** NRC/Gov’t involvement, requires you to deactivate the URC
### Pick the Answer

<table>
<thead>
<tr>
<th>Questions</th>
<th>Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Another name for black lung disease</td>
<td>Atomic Energy</td>
</tr>
<tr>
<td>Retro program run by DoD</td>
<td>Virginia</td>
</tr>
<tr>
<td>Type of work performed for the NRC</td>
<td>Pneumoconiosis</td>
</tr>
<tr>
<td>State with only one coal class code type</td>
<td>NDPRP</td>
</tr>
<tr>
<td>State that doesn’t report surface coal experience</td>
<td>Texas</td>
</tr>
</tbody>
</table>

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**Diagram:**
- Two figures with question marks above their heads, seemingly scratching their heads and thinking.
Supplemental Information
Presenter Biographies

Julie Gonzalez, AIDM, has been employed at NCCI since 1992. As a data consultant and project manager in the Data Services Department, her main responsibilities include managing NCCI’s Data Educational Program, overseeing major compliance projects, developing new data reporting requirements, and enhancing NCCI’s external training programs and data tools. In addition, Julie actively participates on industry committees and association forums to forge industry relationships and provide subject matter expertise.

Prior to joining Data Services, Julie was a senior underwriting analyst, responsible for filing workers compensation rules and programs, and managing the appeals board mechanism for several NCCI states.

Julie has earned both her Associate in Commercial Underwriting (AU) and Associate Insurance Data Manager (AIDM) designations.

Renee Retterath has worked at NCCI for 13 years and is a senior data consultant in the Data Quality and Compliance Department. She is responsible for the development, implementation, and monitoring of the various quality assurance programs for the collection and validation of customer data.

Renee has a master of science degree in school psychology from the University of Wisconsin-Stout.