

THE WORKERS' COMPENSATION RATING AND INSPECTION BUREAU

September 28, 2005

CIRCULAR LETTER NO. 2001

To All Members and Subscribers of the Bureau:

THIRD COMMUNICATION FROM THE DEPARTMENT OF INDUSTRIAL ACCIDENTS (DIA) ON THEIR ASSESSMENT PROCESS

Attached is the third in a series of planned communications from the DIA to all insurance companies that are licensed to write workers' compensation in Massachusetts.

We will keep you informed of any future developments with regards to the DIA assessment process. If you have any questions regarding this matter, please contact me at dcrowley@wcribma.org or 617-646-7594.

DANIEL M. CROWLEY
Vice President – Customer Services

Attachment

I his is the third from communication Department of Industrial Accidents (DIA). The purpose of communication is to alert the insurance community of the assessment web page contained within the DIA web-site and to review the results of the July assessment receipts. Also we want to alert you to minor changes that will be made to the October assessment Form 050.

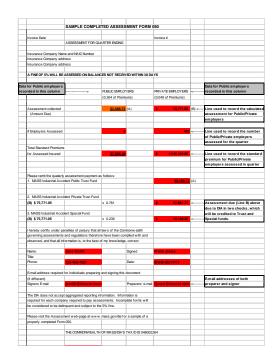
Copies of previous communications can be found within the Assessment web page found at the DIA web site http://www.mass.gov/dia.

Summary of July Communication

In the July communication, the DIA noted insurance companies shall bill and collect assessments on insured employers and report and remit all collected assessments to the DIA on a quarterly basis. Insurance companies were reminded that the forms were to be completed and assessments remitted to the Commonwealth within thirty (30) days, otherwise a 5% penalty could be assessed.

Companies were also advised that with the July assessment, insurance companies that previously reported aggregated data would be required to provide the

details for each individual company included in the aggregate total reported on the Form 050. The details would include proper company name, total standard premium and assessment details for each company. Companies that failed to provide this information would be considered to be in default and could be subject to a 5% penalty.



Sample Forn 050

July Assessment Results

The DIA considers the results of the July assessments to be less than satisfactory in terms of completeness and timeliness of assessment receipts and data, given the prior communication regarding the DIA changes and expectations.

The following is a brief summary of the main issues noted from the July assessment: <u>Aggregated data</u> – companies continue to aggregate data, without providing individual company detail.

Insured employee data and standard premium data – companies only reported the assessment paid. No information was provided on either standard premium or employers insured or both.

Assessments received beyond 30 days – some companies completed, signed the Form 050 and remitted the assessment beyond the 30-day period as stated in the statute.



According to Deputy Commissioner John Tynan, "The information noted above is now required by the Department. This information when properly remitted, provides the DIA with a better view of those firms writing Workers Compensation business in the Commonwealth of Massachusetts."

Deputy Commissioner Tynan continued by stating, "In addition, complete information from the insurance companies will allow the DIA to establish basic financial controls."

Mr Tynan finalized his comments indicating "with the October assessments, the DIA will begin to use the full extent of the statute, and begin to fine companies 5% of the assessment if the assessment is not complete and received within the 30 days."

To assist companies in meeting proper deadlines, a Form 050 is now located within the DIA web-site (see section that follows) that can be downloaded and used to submit the quarterly assessment.

Changes to October Assessment Form

There continues to be an increased focus on this form. With the October assessment, a simple made. change will be The assessment form [050] will be amended to collect the e-mail addresses of both the preparer and signer, if the individuals different. This change will allow the DIA to take advantage of e-mail communication now, and may lead the assessment form being transmitted in the future.

DIA Web Site and Assessment Web Page

As noted in the first paragraph, the DIA has a web-site (http://www.mass.gov/dia/).

Within the web-site, there exists a web page for assessments. This web page is under development, but there are a number of items currently found there.

It is the DIA's intention that these communications will be found there. In addition, a blank assessment form is located within the web page, which can be downloaded, in the event that an insurance company does not receive the quarterly assessment form.

Again, as a reminder, assessment forms are to be mailed the first week in January, April, July and October.

Also located on the web page, is a sample of what the DIA considers to be a properly completed Form 050 [assessment form]. Please take the time to review the sample form so penalties can be avoided.

Finally, a chart of historical assessment rates is also located on this page. This page will continue to be updated as the redesign project progresses.

The DIA welcomes any comments and/or suggestions from the insurance community on items or subject content that they would like to find within this web page.

Commissioner John Chapman stated that the "DIA continues to refine the its web-site to be one of the best in state government. We have vast amounts of information on our web site and continue to add on-line tools constituents. We are proud of our web site and hope to remain on the e-government cutting edge of services. This allows us to provide better and more efficient services to the public."

DIA Contact Information

Assessment Manager James
Boyle has been designated as the
point of contact for insurance
companies at the DIA. All questions
or comments regarding the
assessment process should be
directed to him.

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