



Wisconsin Compensation Rating Bureau

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Located at 20700 Swenson Drive, Suite 100, Waukesha, WI 53186

GENERAL CIRCULAR LETTER 459 – May 13, 2004

TO: ALL MEMBERS OF THE BUREAU

SPECIAL ATTENTION: UNIT STAT PERSONNEL

RE: Addition of Four New Unit Statistical Edits

WCRB will be adding four new edits to our unit report validation process effective July 2004. These edits are being added to enhance the quality of unit report data used for the calculations of experience modifications and our ratemaking process.

The new edits and error messages are:

1. WCRB will compare the prior report's total number of claims to the current report's total number of claims. If the total number of claims has increased by 3 or more, the unit report will be sent back to the carrier for an explanation as to why the claims are being added.

The error message will read "New claims have been added to the subsequent report level. Please review and acknowledge that these claims were not omitted from the prior report(s) in error. If you determine that these claims were omitted from the prior report level(s) in error, a correction report adding these claims to any affected report must be filed immediately."

ACTION NEEDED: If the report is correct as reported, state that on the letter and return it to our office. If you find that the claims were reported late, and should have been on the prior report(s), correction reports should be filed for the prior report level(s).

2. If a claim with incurred indemnity is still open on a subsequent report and the injury code is '05', the unit report will be rejected and a correction will be required to correct the injury code. See injury code definitions below. (*WCRB Statistical Plan Manual, Section 2, page 11c,e*)

The error message will read "Injury code 5 (temporary total) has been reported on a claim that is still open. The duration of disability benefits exceeds 52 weeks and should be reported with injury code '09 (Permanent Partial)."

3. If a claim with incurred indemnity has been reported with the Lump Sum Indicator "Y", the unit report will be rejected and a correction will be required to correct the injury code.

The error message will read "The Lump Sum Indicator is Y. All claims must be reported with injury code '09 (Permanent Partial) when lump sum payments have been made."

Notes on numbers 2 and 3 above are being implemented to correct inaccurate injury codes. As we move closer to requiring carriers to file 6th through 10th reports, it is important that there is accurate coding of injury codes.

Temporary Total or Temporary Partial Disability, injury code 05 is defined as every case which involves or is expected to involve indemnity benefits but which does not constitute a case of death, permanent total or permanent partial as defined in this section.

Permanent Partial Disability Code, injury code 09 is defined as (1) Any permanent injury which does not involve permanent total disability, or (2) Any temporary injury which satisfies any one of the following criteria: (a) The duration of disability benefits exceeds or is expected to exceed one full year. No loss is to be reported as temporary total if the duration of total disability exceeds or is expected to exceed 52 weeks. (b) A lump sum settlement is made or, in the judgment of the data provider, will be required to settle future benefits. (c) The extent of liability for future payments cannot be determined. The amount entered as indemnity incurred shall include specific benefits and compensation for temporary disability as well as loss of earning capacity.

4. With the inception of ASWG, ALAE Paid became a required data element in Wisconsin. A study has shown us that this data element is not being reported consistently and accurately by the industry. If any loss records are reported and with the total of paid indemnity and paid medical amounts are \$10,000 or greater and no ALAE paid has been reported, unit report will be sent back to the carrier for an explanation as to why ALAE Paid amounts have not been reported.

The error message will read: "Paid ALAE is a required data element, and is defined in the WCRB Statistical Plan Manual. Please review the claims reported on this report and acknowledge in writing that no expenses were incurred for the benefit of the claimant. If you determine that any of the claims reported should have ALAE, please take the necessary steps to correct this error immediately."

ACTION NEEDED: If the report is correct as reported, state that on the letter and return it to our office. If you find that the loss records were reported in error, a correction report should be filed.

If you have any questions, please direct them to Kay Higgins at kay.higgins@wcrb.org.