



**State of Utah**

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**Utah Labor Commission**  
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*Commissioner*

**Division of Industrial Accidents**  
RONALD DRESSLER  
*Director*

## **BULLETIN – 8-2010**

To: Workers' Compensation Insurance Carriers

From: Ronald Dressler, Director  
Industrial Accidents Division

Date: August 25, 2010

Re: Proof of Coverage Reporting Requirements and Penalties

The Utah Workers' Compensation Act § 34A-2-205 establishes the requirement of insurance carriers to report policy information to the Industrial Accidents Division of the Utah Labor Commission. The accuracy of the policy information provided by the insurance carriers assists the Division in identifying uninsured employers for the purpose of bringing them into compliance with the Act.

Utah continues to utilize the IAIABC's uniform Proof of Coverage (POC) standards, enabling the electronic reporting of policy information to the Division. This memorandum outlines the Division's procedures for data compliance and timeliness errors relating to workers' compensation policies. These procedures will be enforced effective October 1, 2010.

**Procedure for Data Errors:** NCCI & ISO send notification of rejected transactions that an insurance carrier has with their WCPOLS file. If insurance carrier corrects the error(s) within 5 business days no penalty will apply. The Division will issue a summary of outstanding data errors at the beginning of each month. The summary will identify all uncorrected data errors from the past month and will also show the total penalty imposed. The Division imposes a penalty of \$150.00 per policy for uncorrected data.

**Procedure for Timeliness Errors:** Section 34A-2-205 of the Act establishes a 30 day time period for insurance carriers to notify the Division of workers' compensation policy issuance and 10 day time period for notification of policy cancellation. Failure to meet this mandatory filing deadline constitutes a timeliness error.

The Division recognizes the good-faith efforts of most insurance carriers to meet the Act's timeliness requirements. For this reason, in the past the Division had reviewed requests for consideration by carriers whose rates of untimely filings were less than 3% on a monthly basis.

However, now the carriers have had over 10 years experience with electronic filing processes, the Division will reduce the allowable margin of error. Beginning October 1, 2010, the Division will assess penalty whenever a carrier's rate of untimely filings exceeds 1% on a monthly basis.

The electronic transfer of data is date stamped when received by the Division. The Division will impose penalties for timeliness errors as follows:

- a. 99% or higher in timely reporting – No penalty
- b. 1-15 days late per policy - \$50.00
- c. 16-30 days late per policy - \$100.00
- d. 30 days and over per policy - \$150.00