



Utah Labor
Commission
Industrial Accidents
Division

POC 3.0 EDI Implementation
Guide Version 1.2

For the reporting of Workers' Compensation Proof of
Coverage

PREFACE

The Utah Labor Commission Industrial Accidents Division (IAD) was a pioneering State for EDI filing of Proof of Coverage (POC) in October 1998. EDI POC 3.0 became mandatory effective November 6, 2013.

In as much as the IAD is charged with administering the Utah Workers' Compensation Act and Workers' Compensation Rules applicable thereto, the IAD must maintain information required to be filed with the IAD by law. Under the law, carriers are required to file reports of coverage in such form and detail as the division may require. The law identifies information that must be reported and the timelines that must be adhered to. POC 3.0 provides for the electronic transfer of comprehensive policy transaction information. There are a few changes in POC 3.0 that IAD is incorporating. We sincerely appreciate our trading partners' investment and cooperation in EDI reporting and pledge the IAD will collect only data from our trading partners that is essential to fulfilling our mission.

This POC Implementation Guide is designed to assist trading partners. It serves as an information resource for trading partners and should be used in conjunction with the IAIABC EDI POC 3.0 Implementation Guide dated July 1, 2023. The International Association of Industrial Accident Boards & Commissions (IAIABC) is a not-for-profit trade association representing government agencies and insurance industry charged with the administration of workers' compensation. IAD adopted its standard for accepting EDI transactions.

The following sections provide the necessary information for understanding how to conduct EDI business with the IAD.

Thank you for doing business in Utah.

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Section One: Important Terminology and Acronyms

The following applies to this POC EDI Implementation Guide and the EDI tables posted on our website.

Acknowledgment Record (aka: Response)

An EDI file sent from the Jurisdiction to the trading partner's approved POC EDI service vendors in response to an EDI report. It contains key data elements to identify the transaction and any technical and/or business issues discovered. This is known as an AKP.

Alphanumeric (A/N)

Data elements that are defined as A/N consist of a sequence of any characters from common character code schemes of EBDIC, ASCII and CCITT International Alphabet 5. The significant characters are always left justified in the field with any remaining space in the field padded with spaces. Spaces indicate absence of data.

EDI

Electronic Data Interchange.

Edit Matrix

Identifies the edits to be applied to each data element to ensure data quality expectations are met. Senders will apply the edits before submitting a transaction and receivers will confirm them during processing.

Edited Data

A term used to describe the information on a transaction after it has been processed through the IAD system edits and found to contain valid data.

Element Requirement Table

A tool to communicate data elements required by the Receiver, specifying which elements are mandatory or ancillary. This allows for data element requirements to be defined for each record layout and down to the level of each Triplicate Code. Further, it provides for element requirements to differ based on Report Type criteria established in the Event Table.

Employer Record (PC2)

Provides information on the employers covered under a policy. All Employer Records (PC2) are associated with an Insured Record (PC1) that together constitutes a transaction. Depending on the type of transaction, an Employer Record may or may not be required to accompany an Insured Record (PC1).

Event Table

A table designed to provide information integral for a Sender to understand the Receiver's EDI reporting requirements. It relates EDI information to events and under what circumstances they are initiated.

FEIN

Federal Employer's Identification Number, this is the Corporation/Business US Federal Tax ID or can be an Individual's US Social Security number.

Header Record

The record that precedes each batch of EDI transactions. The header record and corresponding trailer record surround each batch of transactions and uniquely identifies the Sender as well as the date/time a batch was created. See also: Trailer Record.

IAD

Industrial Accidents Division of the Utah Labor Commission. The regulatory agency that oversees Workers' Compensation Act and Workers' Compensation Rules compliance.

IAIABC

International Association of Industrial Accident Boards and Commissions.

IG

Implementation Guide.

Insured Record (PC1)

Identifies insured and policy information. An Insured Record is **always** required for POC transactions. The Insured Record contains the three key data elements that comprise the Triplicate Code: Transaction Set Purpose Code (DN0300), Transaction Set Type Code (DN0334) and Transaction Reason Code (DN0303).

Self-Insured Employer

An employer authorized by the IAD to self-insure its workers' compensation risk in accordance with applicable law, rules and regulations.

SFTP

Secure File Transfer Protocol.

Trading Partners

Two entities exchanging data electronically. For the purpose of this IG, the two entities are the data requester/receiver (IAD) and the data sender/submitter (i.e. approved POC EDI service vendors on behalf of Insurers)

Trailer Record

A record that designates the end of a batch of transactions and provides a count of records/transactions contained within a batch. Also see Header Record.

Transaction

Submission of a POC report that contains data elements as defined in the IAIABC record layouts, which are found in the IAIABC EDI POC 3.0 Implementation Guide and for records specific to Utah, are found in the IAD Policy Reporting EDI tables posted on IAD's EDI website:

<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>

Transaction Structure

Consist of one Insured Record (PC1) and may or may not require one or more Employer Records (PC2) to accompany the PC1. The transaction is defined by the Triplicate Code submitted. For example: a New Policy – Employer Locations within Jurisdiction using Triplicate Code 00 10 01. Certain transactions require Paired Transactions submission.

Links to POC EDI related information

Industrial Accidents Division (IAD) web page:

<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>

Industrial Accidents Division Carrier Compliance email: POCEDI@utah.gov

International Association of Industrial Accident Boards and Commissions (IAIABC):

www.iaiabc.org

Section Two: POC EDI History

EDI Concept

EDI is defined as a computer-to-computer exchange of data in a standardized format. EDI enables a commonly understood and standardized format of the relevant data to be transmitted. Transactions are structured for highly automated processing. Each trading partner must agree to use the standardized format and set of rules in order to participate in EDI.

EDI is widely used in many industries to transmit traditional documents, such as invoices and purchase orders, between companies. EDI serves as the backbone for much of the

world's electronic commerce. EDI is widely used for workers' compensation reporting. Standardized transaction sets have been developed so that hundreds of different documents now can be electronically exchanged. The result is a highly efficient means of conducting business.

Advantages of EDI

For over a decade IAD and its trading partners have benefited from POC EDI by:

- Improved reporting performance
 - ❖ Electronic submission is a much more efficient way to transmit the legally required information related to workers' compensation coverage. Typically, the electronically submitted EDI data is received, processed and acknowledged within hours of its submission, rather than the several days it took through manual processes such as communicating via the postal system, manual form review, data entry and submission. Because policy information is crucial to providing workers' compensation benefits, the timely submission of policy information is of primary importance to the IAD, insured employers and claim administrators.
- Time savings
 - ❖ EDI provides an efficient means of reporting the correct workers' compensation policy information to the IAD as quickly as possible. It allows for one-time data entry, saving time by eliminating the processing of paper documents that would otherwise be required for both the trading partner and IAD.
- Cost savings
 - ❖ Although there were initial costs involved with designing, developing and implementing the POC EDI system, these costs have been recouped and the system has paid for itself many times over by the efficiencies associated with EDI. Sending documents electronically eliminated the costs of mailing and handling paper documents. In addition, fewer people are required to monitor and administer the EDI system than were needed to process paper documents. Thus, personnel at both ends of the electronic transaction who would otherwise be involved in handling paper were assigned to other tasks to fulfill the IAD mission to serve Utah.
- Improved accuracy
 - ❖ EDI eliminated redundant and error-prone entry of the same data into multiple computer systems. Further, by immediately verifying and validating the sender's transaction, the electronic acknowledgement process improves efficiency and accuracy, reducing the time it takes for the trading partner to correct invalid or inaccurate information.
- Enhance Flexibility
 - ❖ Electronic data can be sent anytime, day or night, ensuring the efficient and timely delivery of accurate information. EDI transmissions can be scheduled

during non-peak periods when demand for computing resources is lower.

POC EDI Reporting Standards

The IAIABC EDI Development POC Subcommittee was formed in September 1993. Participants met under the auspices of the International Association of Industrial Accidents Boards and Commission (IAIABC) to satisfy antitrust requirements.

In 1994, representatives from various independent boards and commissions began participating in the POC development. As a result, the Workers' Compensation Insurance Organizations (WCIO) agreed to add POC data elements to WCPOLS. By including POC elements in WCPOLS carriers/insurers have the ability to use WCPOLS or the EDI POC record layout as a means to provide POC to the appropriate approved POC EDI service vendors.

The discussions of this group resulted in the creation of standards that include a data element dictionary, reporting event table, element requirements and edit matrices that could be used by any state and insurer with consideration for the jurisdictional required coverage report filings. These copyrighted standards are available from the IAIABC. The IAIABC can be reached at (608) 841-2017 or visit their website at <http://www.iaabc.org> to acquire a copy of the standards, which may be downloaded from their site.

Approved POC EDI Service Vendors

IAD accepts POC submissions from the National Council on Compensation Insurance, Inc (NCCI) and the International Organization for Standards (ISO).

Utah Proof of Coverage reporting requirements

As per §34A-2-205 notification of workers' compensation insurance coverage reporting requirements are summarized as follows:

- 1) Notification of coverage placement within 30 days after inception date of the policy
- 2) The policy is considered in effect from inception until canceled. Notification of cancellation within 10 days after cancellation of the policy.
 - a. Failure to notify IAD of the cancellation will result in continued liability of the carrier until the date that the cancellation notice is received by IAD.
- 3) Notification of reinstatement within 30 days.
- 4) Notification of changing or the addition of a name or address of an insured within 30 days.
- 5) Notification of the merger of an insured with another entity within 30 days.

Penalties & Fines

§34A-2-205(3)(a) in summary states that IAD may assess up to \$150 for failure to comply

with the reporting requirements.

Please note:

- 1) Data errors that are **not** corrected within 5 business days of the Transaction Rejection are subject to a penalty of \$150 per policy.
- 2) Timeliness penalties apply if untimely filings exceed 1% on a monthly basis. Timeliness penalties apply in a graduated scale:
 - a. 99% or higher in timely reporting – No penalty.
 - b. 1-15 days late per policy – \$50.
 - c. 16-30 days late per policy – \$100.
 - d. 30 days or more per policy – \$150.
- 3) Directions on how to appeal a penalty are included in the monthly reports provided to each insurer detailing the penalty/penalties.
 - a. EDI POC appeals may be submitted to pocedi@utah.gov within 30 days from the date the POC EDI Summary Report is sent to the carrier.

Section Three: EDI Insurer Considerations

POC EDI is a method to transmit workers' compensation policy data to meet jurisdictional reporting requirements. Ideally, EDI converts a manual process into an automated or software-assisted process, to allow computer to computer communication. The initial implementation tasks are to assess the jurisdictions' requirements, compare those requirements to your company's manual and automated policy handling processes to determine the best business solution for your company.

The technical side of EDI has three major components:

- 1) The computer-based policy processing system where coverage data is stored
- 2) An EDI management system or a component that contains jurisdiction requirements:
 - a. The required report types
 - b. The required timeline for each report
 - c. The Jurisdictions' data requirements
 - d. The required edits
 - e. The Jurisdictions' response to each report
- 3) A system that manages the exchange of reports between two or more parties (trading partners, approved POC EDI service vendors, jurisdictions etc.)

Due to the differences between Insurer policy handling processes and computer systems, each Insurer may have varying degrees of capability. Each must assess the best way to modify (if needed) their policy handling process in order to meet the three technical EDI components.

Although the below list is not all inclusive, it will help guide you to key items to consider when evaluating how your firm can comply with EDI reporting requirements:

- 1) Completely read this implementation guide to ensure your firms' understanding of Utah's EDI POC requirements. Identify the IAD reporting requirements for each data element using the provided Edit Matrix, Event Table and Element Requirements Table. These are available on our website:
<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>
- 2) Go to <https://www.iaabc.org> to obtain a copy of IAIABC's EDI POC Release 3.0 Implementation Guide.
- 3) Review the definition of each data element. Note any difference between these definitions and those of your organization.
- 4) Note any elements not currently captured by your database in case they need to be added to comply with IAD requirements.
- 5) Ensure internal communication lines between Policy issuance and Claim reporting departments are open for efficient resolution of reporting issues.

Section Four: Reporting Processes and Options

Utah's EDI reporting process includes:

- 1) Capturing State required reporting data
- 2) Editing for data content and quality
- 3) Translating data into or from IAIABC, ASCII or WCPOLS formats
- 4) Managing communications (report transmissions – sending & receiving)
- 5) Managing acknowledgments, replacement reports and corrections

Capturing required reporting data

IAD believes we and our trading partners have worked through the stumbling blocks concerning the capture and electronic storage of data required by IAD's EDI POC as processes have evolved since 1999. Although using national standard data elements can simplify state reporting, there can be a gap between IAD's data requirements and the data available through the Insurers policy handling computer system. If the missing data is identified as "Mandatory" or "Conditional" by IAD, an immediate solution is in order. Missing data solutions vary and are dependent on several factors. Solutions fall into two categories:

- 1) Modify your policy handling process and computer system to capture the missing data.
- 2) Supplement your current policy handling computer system with an

additional data entry and storage capacity for the missing data.

Editing data for content and quality

This requires adherence to the EDI data tables as posted on our website:

<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>

Manage communications / transmissions

Success of EDI reporting is dependent on the technical ability to pass data between organizations. Data transfer interruptions may occur and data could be lost. Due to this critical need, IAD has limited the number of approved POC EDI service vendors that trading partners can select from to act as their intermediaries in this process to the National Council on Compensation Insurance, Inc (NCCI) and the International Organization for Standards (ISO).

Note: IAD neither endorses nor recommends the products or services of any approved POC EDI service vendors. IAD's authorization of approved POC EDI service vendors is based solely on their specific POC EDI experience. Our goal is to provide you, our trading partners, with competent firms to select from. IAD suggests careful review of approved POC EDI service vendors as well as to contact current and past customers prior to contracting a approved POC EDI service vendors' service.

Manage acknowledgments, replacement reports and corrections

EDI is the reciprocal transfer of data between organizations. In Utah reporting, the IAD responds to each submitted report with an acknowledgment that the report was Accepted or Rejected. The contracted intermediary approved POC EDI service vendors will communicate these acknowledgments to the Submitter. It is the responsibility of the Submitter to replace rejected reports with acceptable reports. It is imperative that Rejected reports are corrected and resubmitted as soon as possible – **a rejected report is not considered filed until it has been corrected, retransmitted, and accepted.** Insurer fines may apply if correct reports are not reported within the 5 business days allowed for Insurers to resubmit! Whereas some reports require the prior acceptance of another report, failure to replace rejected reports can cause other reports to be rejected and therefore to be late.

Section Five: EDI Trading Partner Process

Please note, your business model may require you to take supplemental steps between

those suggested below. Or, as an experienced EDI partner, trading with other jurisdictions, you may find your company has already addressed some of the below steps.

This Utah Labor Commission IAD POC EDI Implementation Guide provides Utah specific information that is used in conjunction with the IAIABC EDI POC Release 3.0 Implementation Guide.

Designate an EDI Point of Contact

Your company must designate an EDI point of contact. Your company is responsible to update IAD if/when the contact changes. This contact person must be able to speak on behalf of your organization and be knowledgeable about:

1. Your source data
2. How to retrieve the source data
3. Your business process and support systems

To update the POC contact please complete a carrier contact form and email it to pocedi@utah.gov. The carrier contact form can be found at <https://laborcommission.utah.gov/wp-content/uploads/2021/02/Carrier-Contact-Form.pdf>

We recommend that your EDI Point of Contact attend all IAIABC and IAD EDI information meetings and applicable training.

Review Utah EDI data requirements and policy events that require reporting

Refer to the Technical Requirements section of this guide. This detailed section defines the reports required by Utah and the business events or situations that trigger specific EDI transactions to be filed with IAD. **Determine how Utah EDI Requirements fit with your workers' compensation business processes**

Section Six: EDI Technical Requirements

6. EDI Technical Requirements

All files submitted to the IAD must be flat fixed length text files in the IAIABC format with an extension of .pcn. The following section details the possible EDI reports, Event Table, Element Requirements Table and Edit Matrices for EDI submissions.

6.1 EDI Reports

The IAIABC EDI standards associate state EDI reporting requirements to policy processing events. Each report or transaction is named for the event it represents: Notice, New Policy, Cancellation, Reinstatement etc. Report name and Triplicate code

may be used interchangeably throughout this guide. The IAD will initially provide for policy events of the available Trip codes as shown in IAD's POC 3.0_EventTable.

6.2 Report Event Table

The POC Event Table is designed to provide information necessary for the Sender (Insurer) to understand the Receiver's (IAD) EDI reporting requirements. It associates the required EDI reports to policy events and defines the timing and circumstances for Insurers to report those events. The policy reporting requirements may include legislative mandates affecting different reporting conditions and may be based on various criteria. The IAD uses and controls the table to convey the level of EDI reporting that it currently accepts. The event table contains the following data elements:

- Report Type
- Triplicates (Code and Description)
- Event Rule (Criteria, From, Thru)
- Report Trigger (Criteria, Trigger Value)
- When is the Report Due? (Value, Due Type, From)
- Receiver

A copy of the POC Event Table may be found on the IAD website:

<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>

6.3 Element Requirement Table

The list of potential data elements that the IAD requires is listed in the Element Requirement Table. This table lets the Insurer know the IAD data element requirements. Each table lists the data element requirements for each report/record based on the point in time that the data was required by statute, rule, or current version of EDI. If a data element has not always been required to be reported, but is required now, it will be listed as Mandatory Conditional (MC) on the table with additional information listed in a section at the end of the table (business conditions) identifying the start date that the data element is mandatory. Prior to that date, the data element is considered Not Applicable (NA).

The event tables contain the following data elements:

- Record
- DN#
- Data Element Name
- Triplicate Code

A copy of the POC Element Requirements Table can be downloaded from the IAD website:

<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>

Special Circumstances to take note of:

1. Effective November 15, 2017 Utah announced a change to DN0329 Employer UI Number. Utah is no longer requiring or editing DN0329 Employer UI Number.

- Utah will allow carriers to submit DN0329 on AA (Applicable/Available) basis.
2. Utah is now mandating Employer Email Address DN0301 starting 4/1/2024 for policies effective 7/1/2024 and forward. Previously DN0301 was (AA).
 3. Utah is now mandating Claim Administrator FEIN for POC DN0347 4/1/2024 for policies effective 7/1/2024 and forward.
 4. Utah only accepts Address Type 6-No Physical Location when a company has no physical location of operation within the State of Utah. Otherwise, an address endorsement is required.

6.4 Edit Matrices

The Edit Matrix is used to identify which data elements have edits applied to them as well as associated standard error codes. The Edit Matrix consists of five components:

- Data Element Name
- DN#
- Error Code
- Error Code Description
- Triplicate Codes

The IAD provides Edit Matrices for each of the following reports:

- PC1
- PC2

A copy of the Edit Matrices can be downloaded from the IAD website:

<https://laborcommission.utah.gov/divisions/industrial-accidents/insurance-carriers/>

6.5 FTP Requirements

EDI Trading Partners and/or their selected EDI approved POC EDI service vendors will be required to submit workers' compensation policy reports to the IAD using the approved method and are expected to have a File Transfer Protocol program (or service provider) capable of connecting to the IAD Secure FTP server using FTP/Implicit SSL