



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 2999—FEBRUARY 2, 2007

To: Members of the Bureau, Unit Statistical, Experience Rating, and Financial Call Personnel

From: Kay Higgins

Re: Proceeding of the Wisconsin Rating Committee
Data Reporting Procedures for the Reporting of Catastrophe Code 87

The Office of the Commissioner of Insurance has approved the actions taken by the Rating Committee regarding the steps that the Bureau will take with respect to the use of Catastrophe Code 87. The following will assist your statistical and claims departments with the recording and reporting of claims associated with the rescue, recovery, and clean-up operations at the World Trade Center site.

Background

On October 27, 2006, Property Claim Services (PCS) published a Catastrophe Bulletin establishing Catastrophe Serial No. 87 (or Catastrophe Code 87). Catastrophe Code 87 was established at the request of the New York Compensation Insurance Rating Board to identify and monitor all occupational disease claims emanating from the rescue, recovery, and clean-up operations at the World Trade Center site that were undertaken between September 11, 2001 and September 12, 2002, as defined in Article 8-A of the New York Workers Compensation Law (Chapter 446 of the Laws of 2006).

Catastrophe Code 87 applies **solely** to New York workers compensation occupational disease claims defined in Article 8-A of the New York Workers Compensation Law (Chapter 446 of the Laws of 2006 signed into law on August 14, 2006).

Further information regarding the law change is provided in detail in the following communications:

- **Subject Number Bulletin 046-159** issued by the New York State Workers Compensation Board can be accessed from their Web site at <http://www.wcb.state.ny.us/>
- **Bulletin R.C.2123** issued by the New York Compensation Insurance Rating Board can be accessed from their Web site at <http://www.nycirb.org/>

Reporting Catastrophe Code 87 in Jurisdictions Other Than New York (State 31)

Instances in which Catastrophe Code 87 will be reported to jurisdictions other than New York are expected to be limited. For a Catastrophe Code 87 claim to be filed in Wisconsin would require that the claim meet the criteria established in law Article 8-A of the New York Workers Compensation Law **and** that the claimant elect New York state benefits in lieu of Wisconsin state benefits.

In conjunction with this New York law change and the establishment of Catastrophe Code 87, the appropriate revisions to the Wisconsin Statistical Plan and Experience Rating Plan manual pages regarding the handling of Catastrophe Code 87 have been approved for use and are attached.

IMPORTANT NOTE FOR ALL WISCONSIN UNIT STATISTICAL DATA PROVIDERS

ANY CLAIM CODED WITH CATASTROPHE CODE 87 WILL BE REVIEWED BY WCRB, AND RETURNED TO THE DATA PROVIDER FOR A WRITTEN CONFIRMATION OR SUPPORTING DOCUMENTATION.

Experience Rating and Ratemaking

Wisconsin procedures will be consistent with those previously announced by the New York Compensation Insurance Rating Board, in that valid claims coded with Catastrophe Code 87 and reported to Wisconsin will be excluded from experience rating calculations for any employer(s) incurring one or more such claims. Additionally, these occupational claims will be treated in the same manner as the original World Trade Center claims (Catastrophe Serial No. 48) and will be excluded from overall, classification, and related ratemaking calculations.

Unit Statistical Reporting

Unit statistical data should only be filed in Wisconsin in accordance with the updated and recently approved Statistical Plan manual rules when the following conditions apply:

Exposure State equals 48 (Wisconsin)

Jurisdiction State equals 31 (New York)

Catastrophe Code equals 87

As newly reported claims, these Catastrophe Code 87 claims should be reported on a going forward basis on the appropriate unit report level(s). Where correction reports are required, the Statistical Plan reporting rules should be followed.

Additionally, these claims should be reported with the following coding values:

Type of Loss—Loss Condition Code 02, Occupational Disease.

Injury Description—Cause of Loss Code 96, Terrorism.

The following example outlines a typical sequence of events for reporting a Catastrophe Number 87 claim:

- A claim for occupational disease benefits arising from clean-up or rescue activities related to the September 11, 2001 terrorist attack is filed with the carrier
- The policy covering the claim has an effective date of January 1, 2002
- The accident date for the claim (date of last exposure) is July 1, 2002
- The carrier will verify the registration of the claimant with the New York State Workers Compensation Board as required by New York law as part of its due diligence in deciding whether to accept the claim
- If the merits of the case so indicate, the claim will be accepted and assigned Catastrophe Number 87
- The claim would be valued as of July 2007 for the 5th level unit statistical report on the affected policy
- The unit statistical report would be due on or about September 1, 2007
- Unit statistical report levels 1 through 4 would NOT be submitted (because by definition this claim could not have been accepted prior to August 14, 2006).

The [Wisconsin Worker's Compensation Statistical Plan Manual](#) and the [Experience Rating Plan Manual](#) have been updated to reflect these changes. Refer to the attached updated Statistical Plan manual pages for additional detail.

Financial Data Call Reporting

The Large Loss and Catastrophe Call (#31) currently required in WI will be updated to include the reporting of valid losses coded to Catastrophe Code 87.

Other

A Catastrophe Code 87 Data Reporting matrix has been created and is posted on the Workers Compensation Insurance Organization (WCIO) Web site, www.wcio.org, to help data reporters discern any potential jurisdictional data reporting requirement differences related to these claims.

WISCONSIN WORKER'S COMPENSATION STATISTICAL PLAN MANUAL

Effective Date: January 1, 1996

Section II

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Original Printing

*Proposed Reprint Effective ???

11. Catastrophe Number (Cat. No.)

Any accident resulting in two or more reported claims must be reported as a catastrophe. In reporting catastrophes, all claims (compensable as well as non-compensable) resulting from this accident shall be designated by placing the numeral "1" in the column captioned Cat. No. opposite each claim. If there is more than one catastrophe under the policy, each succeeding catastrophe should be designated by means of a separate serial number "2", "3", etc. A separate series of catastrophe numbers shall be used for each policy.

For claims resulting from the September 11, 2001 Terrorist attacks, with an accident date of September 11-14, 2001, report the Catastrophe code as 48.

For occupational disease claims resulting from the rescue, recovery, and clean-up operations at the World Trade Center site, with accident dates from September 11, 2001 and September 12, 2002, report the Catastrophe code as 87.

12. Injury Description Code (Policies Effective 1-1-97)

Report the three 2-digit codes that represent the part of body, nature of injury and cause of injury for a given claim. (Refer to Section III for list of codes.)

13. Vocational Rehabilitation Indicator

Report the 1-position code that indicates the inclusion of vocational rehabilitation costs in the losses.

<u>Code</u>	<u>Description</u>
Y	Claim includes Vocational Rehabilitation Costs
N	Claim does not include Vocational Rehabilitation Costs

14. Paid Indemnity

Report the whole dollar amount of paid indemnity loss for the claim as of the loss valuation date. These losses consist of all paid benefits due to an employee's lost wage or inability to work, including compensation paid to a deceased prior to death, burial expense, claimant's attorney fees, vocational rehabilitation benefits, payments to the state and employers liability losses and expenses.

15. Paid Medical

Report the whole dollar amount of paid medical for the claim as of the loss valuation date.

16. Allocated Loss Adjustment Paid (ALAE)

Report the whole dollar amount of loss adjustment expense allocated and paid for this claim as of the loss valuation date.

17. Allocated Loss Adjustment Incurred (ALAE) (Optional)

Report the whole dollar amount of loss adjustment expense allocated and paid or reserved for this claim as of the loss valuation.

- 3) If, based on its ownership of other entities, the previous owner continues to be experience rated after the change in ownership, its experience modification will be revised to exclude all experience of the relinquished entity.
- b) Experience modifications in accordance with 1), 2), and 3) above will be calculated and applied as follows:
- 1) If the first written reporting of the ownership change by either the acquiring entity or acquired entity to their carrier occurs within 90 days of the date of the change, the calculation of the revised modification(s) will be as of the date of the change.
 - 2) If the first written reporting of such change occurs more than 90 days after the date of the change, the calculation of the revised modification(s) will be as of the next anniversary rating date following the earliest notice either carrier received of the change.

D. PAYROLLS AND LOSSES – including PROPOSED exception

1. Payrolls

The audited payrolls or other exposures for each classification in the experience period are those reported in accordance with the [Wisconsin Worker's Compensation Statistical Plan Manual](#).

2. Losses

The incurred losses in the experience period are those reported in accordance with the [Wisconsin Worker's Compensation Statistical Plan Manual](#). No loss can be excluded from the experience of a risk on the ground that the employer was not responsible for the accident that caused such loss.

EXCEPTION:

Losses reported with a Catastrophe number assigned as a result of an Extraordinary Loss Event are excluded from experience rating calculations. For a list of the catastrophe numbers see the [Wisconsin Worker's Compensation Statistical Plan Manual](#), Section III, Loss Information Codes.

For purposes of this Plan, losses, incurred under a state worker compensation law, the United States Longshore and Harbor Workers' Act, and Employers Liability Coverage will be subject to the respective accident limitations shown in the Table of Weighting Values. The values can be found on WCRB Web site on the Circulars tab in the annual rate revision circular.