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Wisconsin Compensation Rating Bureau

## **CIRCULAR LETTER 3246—October 04, 2022**

TO: Members of the Bureau

RE: New WCPOLS Data Element and Transaction Code Consolidation

Attention: Policy Data Reporting Personnel

In the Spring of 2022, the Workers Compensation Insurance Organization (WCIO) approved the addition of a new data element to the WCPOLS data reporting standard. The new data element, Replacement Transaction Sequence Number, will be reported in the Link Data common to all records in WCPOLS in positions 24-25. This data element will ensure proper sequencing of changes when more than one change transaction is reported for the same policy with the same Transaction Issue Date in the same submission. In conjunction with the addition of the Replacement Transaction Sequence Number, Transaction Codes 08 and 10, reported in positions 42-43, will eventually be eliminated.

Important information to know:

- Effective 1/1/2024, Transaction Codes 08 and 10 will be sunset. All policy changes currently reported as Transaction Code 08 and 10 will be reported via Transaction Code 14.
- Note that carriers can transition to exclusively report Transaction Code 14 at any time prior to 1/1/2024 as long as there are not multiple for the same policy with the same Transaction Issue Date in the same submission.
- Effective 1/1/2024, the new Replacement Transaction Sequence Number will be required on Transaction Codes 14 and 15 when a single submission includes multiple change transactions for the same policy with the same Transaction Issue Date.
- Testing is not required for this change but can be done at the discretion of each carrier.
- A follow-up Circular will be released when all requirements for the use of sequencing are available for distribution and WCRB is able to both accept test files and process the Replacement Transaction Sequence Number.
- Transaction Code 15 will continue to be used to add WI to a multi-state policy.

The impact of these changes will be minimal for carriers that do not send multiple change transactions for the same policy with the same Transaction Issue Date in the same submission.

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Please note both ample time and leeway will be provided for carrier testing and implementation. Any carriers experiencing delays or difficulty with transitioning to reporting Transaction Code 14 exclusively and/or sequencing are encouraged to reach out to WCRB for support.

Attached to this Circular is additional background and detailed information to give further context to both the current and future state.

Please contact the staff below for clarification or with any questions. Our goal is to work with and to assist carriers as much as possible with this transition.

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### Current State:

Data Reporting Change Transaction Codes

- Transaction 08 – Policy Replacement Due to Rating Change
- Transaction 10 – Policy Replacement Due to Non-Rating Change
- Transaction 14 – Policy Replacement Due to Misc, Change/Non-Key Field Change.

These transaction codes are used to report changes to the policy. Currently, if multiple change transactions for the same policy (across Transaction Codes 08, 10, 14 and 15) are received in a single submission with the same Transaction Issue Date, the duplicate transactions will be rejected since WCRB does not know in which order to process the transactions. If the Transaction Issue Dates are different, the changes will be processed in issue date order.

While the transaction codes are defined differently, they are processed in the same manner. WCRB does not edit differently based on Transaction Code. Carriers have provided feedback that using the different transaction codes can be confusing and burdensome from a training, maintenance, and processing perspective at the carrier level. Since there is no difference in processing, WCRB is encouraging carriers to report all change transactions as Transaction Code 14. No changes, other than the Transaction Code, need to be made to the carrier's reporting system if the transactions are reported as follows:

- Submission A – one Transaction Code 14 reported.
- Submission B – three Transaction Code 14s reported with varying Transaction Issue Dates
  - Transaction 14 – class code change – Transaction Issue Date 1/1/2023
  - Transaction 14 – payroll change – Transaction Issue Date 1/15/2023
  - Transaction 14 – address change – Transaction Issue Date 1/8/2023

The above transactions will be processed in Transaction Issue Date order.

- Submission C – three Transaction Code 14s reported with the same Transaction Issue Date
  - Transaction 14 – class code change – Transaction Issue Date 1/1/2023
  - Transaction 14 – payroll change – Transaction Issue Date 1/1/2023
  - Transaction 14 – address change – Transaction Issue Date 1/1/2023

The Transactions in Submission C will be rejected, since WCRB cannot determine in what order to process the transactions.

### Future State:

Carriers submitting multiple Transaction Code 14s for the same policy, with the same Transaction Issue Date in the same submission will be able to assign a sequence number to the transaction to dictate the order in which the transactions will be processed. The last sequence number in the submission should report the most current information.

The system updates are in progress to allow the sequencing of change transactions using the Replacement Transaction Sequence Number. While the date may be amended, WCRB plans an April 2023 date to provide detailed requirements, with a January 2024 implementation date. Additional information will be provided as the system updates are completed and carriers are able to test if they choose to do so.