

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form.

Dept of Consumer and Business Services, Workers' Compensation Division	OAD CHAPTER 436
Agency and Division	Administrative Rules Chapter Number
Fred Bruyns	(503) 947- 7717 Fax (503) 947-7581
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Address	

		Room 260 (2 nd floor)	
		Labor & Industries Building	
		350 Winter Street NE	
October 22, 2003	10:00 a.m.	Salem, Oregon	Fred Bruyns
Hearing date	Time	Location	Hearings Officer

NOTE: The hearing will convene at 10:00 a.m. and end when all present who have indicated their intention to testify have been called to present testimony. Written testimony will be accepted until 5:00 p.m., October 27, 2003 (must be received by the Workers' Compensation Division).

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

ADOPT: OAR 436-050-0165, 436-050-0480

AMEND: OAR

436-045-0008	436-050-0100	436-050-0190	436-055-0008	436-080-0010	436-150-0008
436-050-0003	436-050-0110	436-050-0195	436-060-0008	436-080-0020	436-160-0003
436-050-0008	436-050-0120	436-050-0210	436-070-0008	436-080-0030	436-160-0310
436-050-0040	436-050-0150	436-050-0220	436-075-0008	436-080-0040	436-160-0320
436-050-0050	436-050-0160	436-050-0260	436-080-0001	436-080-0060	436-160-0340
436-050-0055	436-050-0170	436-050-0270	436-080-0002	436-080-0065	436-160-0350
436-050-0060	436-050-0175	436-050-0280	436-080-0003	436-080-0070	436-160-0360
436-050-0080	436-050-0180	436-050-0290	436-080-0005	436-080-0080	
436-050-0090	436-050-0185	436-050-0400	436-080-0006	436-085-0008	

REPEAL: OAR 436-050-0020, OAR 436-080-0050

ORS 656.726(4), 656.704

Stat. Auth.

ORS 183.335; OAR 137-001; OAR 436-001-0000 and 436-001-0005

Other Authority

ORS chapter 656

Stats. Implemented

RULE SUMMARY

The agency proposes to amend these rules in part to reflect Senate Bill 233's changes to ORS 656.740. The time frame for appeal of a proposed order or proposed assessment of civil penalty will no longer be 60 days following the party's receipt of notice, but instead 60 days from the date the order is mailed by the department. In addition, the agency proposes to make a number of "housekeeping" amendments throughout these rules.

The agency proposes to amend OAR 436-050, "Employer/Insurer Coverage Responsibility," and OAR 436-160, "Electronic Data Interchange." These proposed rules:

- (436-050-0020) Repeal the requirement that the director send copies of orders to parties via certified mail and otherwise repeal the rule that restates certain statutory requirements affecting service of orders.
- (436-050-0050) Clarify requirements for notice by the employer to its insurer of election to cover otherwise non-subject workers.
- (436-050-0055) Specify that a criterion for whether a worker is temporarily in or out of state is the duration of the employer's "work," not the duration of the employer's "contract."
- (436-050-0060, 436-160-0310) Eliminate the requirement for insurers to report Standard Industrial Classification Codes or North American Industry Classification System codes; state that National Council on Compensation Insurance codes are sufficient.
- (436-050-0080, 436-160-0350) Eliminate the requirement to report coverage elections and cancellation of elections to the director by endorsement to the guaranty contract. (reflects statutory change made by Senate Bill 233)
- (436-050-0100, 436-160-0360) Explain the notice and reporting requirements regarding the insurer's termination of guaranty contracts. (reflects statutory change made by Senate Bill 233)
- (436-050-0100) State that active self-insurance certification remains in effect if a guaranty contract has been filed.
- (436-050-0110 and 0210) Require insurers and self-insured employers to notify workers with open/active claims, their attorneys, and primary medical service providers at least 10 days prior to changing claims processing locations, service companies, or self-administration.
- (436-050-0120 and 0220) Require insurers and self-insured employers to keep documentation regarding the dates payments are mailed to claimants.
- (436-050-0160 and 0175) Provide that the director may require the self-insured employer (or applicant) to submit audited financial statements if certified financial statements are insufficient to evaluate the employer's financial status.
- (436-050-0165) Provide that an irrevocable standby letter of credit may be accepted by the director as an alternative to a surety bond as a security deposit; list required provisions of an irrevocable standby letter of credit and the criteria the director will use to determine if it is an acceptable security deposit; state the conditions under which an irrevocable standby letter of credit will be extended or called; incorporate by reference, *International Standby Practices, ICC Publication No. 590*. These changes are now in effect under authority of temporary rules effective 7/18/03.
- (436-050-0165) Provide that government securities, certificates of deposit, or time deposit accounts will not be accepted as new or replacement security deposits by self-insured employers effective January 1, 2004; require self-insured employers with existing securities of this type to complete a "Security Agreement and Notice to Intermediary," Form 440-4023, granting the department a security interest in and control over those financial assets.
- (436-050-0170) Provide that excess insurance coverage must be specific on a per occurrence basis, and that such coverage may include aggregate excess insurance.
- (436-050-0175) Incorporate annual reporting requirements formerly published only in Bulletin 209, to include a report of losses for the experience rating and non-experience rating periods.
- (436-050-0180) Require that future claim liability estimates or annual incurred losses include losses incurred but not reported; require that "losses incurred but not reported" be calculated by applying a loss development factor against the employer's annual incurred losses; provide that the director will calculate the "loss development factor" annually.
- (436-050-0180) Require that a new self-insured employer's deposit is not less than the amount of the approved self-insured employer retention level for the employer's excess workers' compensation insurance.

- (436-050-0195) Require that each entity included under a self-insurance certification must enter into an agreement making the entity jointly and severally liable for payment of compensation and moneys due to the director by the self-insured employer or any other entity included in the certification.
- (436-050-0260) Provide for revocation of a self-insured employer group's certification if the group fails to maintain the qualifications required in this rule.
- (436-050-0290) Require that self-insured employer groups maintain coverage records relating to each member.
- (436-050-0400) Prohibit a worker leasing company from providing workers' compensation coverage to another worker leasing company.
- (436-050-0480) Provide for assessment of civil penalties against worker leasing companies or prospective leasing companies that fail to meet the requirements of relevant rules. Provide penalty matrixes for worker leasing companies that violate these rules and for companies that operate as worker leasing companies without a license

NOTICE OF PERIODIC REVIEW

Oregon law requires an agency to review its rules not less than every three years to minimize the economic effect on businesses. Pursuant to ORS 183.545 and 183.550, the Workers' Compensation Division invites public comment upon these rules* concerning the continued need for the rules; the complexity of the rules; the extent to which the rules duplicate, overlap, or conflict with other state rules, federal regulations, and local government regulations; the degree to which technology, economic conditions, or other factors have changed in the subject area affected by the rules; and the legal basis for the rules. Oral comments may be presented at the rulemaking hearing; written comments must be received, at the address listed on the top of this form, by the date specified below.

*Subject to this periodic review, public comment is invited regarding all rules within the following divisions of chapter 436:

- OAR 436-045, Reopened Claims Program
- OAR 436-050, Employer/Insurer Coverage Responsibility
- OAR 436-055, Certification of Claims Examiners
- OAR 436-060, Claims Administration
- OAR 436-070, Workers' Benefit Fund
- OAR 436-075, Retroactive Program
- OAR 436-080, Noncomplying Employers
- OAR 436-085, Premium Assessments: Assessments/Contributions
- OAR 436-150; Workers' Benefit Fund Claims Program
- OAR 436-160, Electronic Data Interchange

Address questions to: Fred Bruyns, Rules Coordinator; phone 503-947-7717; fax 503-947-7581; e-mail fred.h.bruyns@state.or.us Proposed rules are available on the Workers' Compensation Division's Web site: <http://www.cbs.state.or.us/external/wcd/policy/rules/permanent/rules.html#proprules>

or from WCD Publications at 503-947-7627 or fax 503-947-7630.

October 27, 2003

5 p.m.

Last Day for Public Comment

/s/ John L. Shilts

Authorized Signer and Date

September 12, 2003

John L. Shilts, Administrator, Workers' Compensation Division

Printed name

*The *Oregon Bulletin* is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or legal holiday when Notice forms are accepted until 5:00 pm on the preceding workday.

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Statement of Need and Fiscal Impact

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Secretary of State

STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Consumer and Business Services,
Workers' Compensation Division

OAR CHAPTER 436

Agency and Division

Administrative Rules Chapter Number

In the Matter of)	
The Amendment of:)	
OAR 436-045, Reopened Claims Program)	Statutory Authority,
OAR 436-050, Employer/Insurer Coverage Responsibility)	Statutes Implemented,
OAR 436-055, Certification of Claims Examiners)	Statement of Need,
OAR 436-060, Claims Administration)	Principal Documents Relied Upon,
OAR 436-070, Workers' Benefit Fund)	Statement of Fiscal Impact,
OAR 436-075, Retroactive Program)	Request for public comment
OAR 436-080, Noncomplying Employers)	
OAR 436-085, Premium Assessments:)	
Assessments/Contributions)	
OAR 436-150, Workers' Benefit Fund Claims Program)	
OAR 436-160, Electronic Data Interchange)	

Statutory Authority: ORS 656.704, 656.726(4)

Other Authority: ORS 183.335; OAR 137-001; OAR 436-001-0000 and 436-001-0005

Statutes Implemented: ORS chapter 656

Need for the Rule(s):

1. Rule changes are needed to reflect law changes under Senate Bill 233, effective 1/1/2004:
 - modification of appeal rights under ORS 656.740;
 - changes to the end liability date for guaranty contract terminations under ORS 656.427;
 - elimination of claim-closure penalties for non-complying employers under ORS 656.054; and
 - elimination of the requirement to report coverage elections and cancellation of elections to the director by endorsement to the guaranty contract under ORS 656.419.
2. Rule revisions are also needed to make permanent the changes implemented by temporary rules effective 7/18/03. These temporary rules affect self-insured employers and self-insured employer groups, or employers and groups applying to the director of the Department of Consumer and Business Services for self-insurance certification. There is a critical need for an alternative to the surety bond as a security deposit. Surety bonds have become harder to obtain – more expensive, or in some cases, unavailable – since the terrorist attacks of 9/11/2001. These rules provide that an irrevocable standby letter of credit may be accepted by the director as an alternative security deposit to a surety bond.
3. Additional rule changes affecting self-insured employers are needed to provide for adequate surety if a self-insured employer defaults on payments due to injured workers or the director.
4. The requirement that insurers and self-insured employers notify workers, workers' attorneys, and medical providers of any change in claims processor is needed to allow workers to timely appeal certain decisions about their claims and to provide physicians information essential to the proper routing of medical reports and bills.
5. The requirement that insurers and self-insured employers keep documentation of the dates payments are mailed to claimants is needed for the agency to monitor and enforce timeliness of payment under Oregon law.
6. Rule changes affecting worker leasing companies are needed to adequately monitor and audit worker leasing companies, and to impose civil penalties for non-compliance with relevant statutes and rules. These changes were requested by

worker leasing company representatives who want this agency to foster and enforce fair and consistent business practices, so companies cannot obtain an unfair economic advantage by using illegal practices.

Documents Relied Upon: Advisory committee meeting minutes; Senate Bill 233, Enrolled

These documents are available for public inspection in the Administrator's Office, Workers' Compensation Division, 350 Winter Street NE, Salem, Oregon 97301-3879, upon request and between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Please call (503) 947-7810.

Fiscal and Economic Impact:

Numbering below corresponds to numbering under: "Need for the Rules."

1. The statutory change in the appeal time frame is not expected to have any significant fiscal impact.
- . The change to ORS 656.427 will allow insurers more control over the end liability date for guaranty contracts, and insurers should realize some cost reductions. Under current law (until 12/31/03), guaranty contracts remain in effect until/unless the director is notified, and insurers are sometimes made liable for claims because they failed to notify (or timely notify) the director of the termination of the guaranty contract, even though notice had been provided to the employer. Under the revised law (effective 1/1/04), the guaranty contract can be terminated by adequate notice to the employer; failure to notify the director may result in civil penalties but will not affect guaranty contract liability. In part, the savings realized by insurers will be shifted to employers that continue to employ, in violation of Oregon law, subject Oregon workers after their workers' compensation coverage is terminated. To the extent these employers cannot pay claim costs, claims costs will be paid from the Workers' Benefit Fund. Overall, this statutory change, and related rule change, should have no significant net dollar cost or benefit to the workers' compensation system, but some costs will be shifted from companies that comply with the law to those that violate the law.

Elimination of claim closure penalties for non-complying employers will reduce civil penalties assessed against Oregon employers by approximately \$59,000 annually. Collected penalties have been paid into the Workers' Benefit Fund. The dollar amounts involved will not have a significant impact on the Fund, and the agency should realize a slight decrease in its penalty collection activities and costs associated with serving claim closure penalty orders. This statutory change, and related rule change, will allow this agency more effectively to focus its efforts on monitoring compliance with workers' compensation coverage laws and rules.

Elimination of reporting of elections and cancellation of elections to cover non-subject workers should slightly decrease reporting costs for insurers.

2. Because irrevocable standby letters of credit are a less costly form of security deposit than surety bonds, these rules should reduce costs for Oregon's self-insured employers. The agency cannot quantify the savings at this time and invites input from self-insured employers who have had experience using this form of security under temporary rules in place since 7/18/03.
3. It is anticipated that rule changes increasing security requirements for new and existing self-insured employers will result in increased costs to those employers to either obtain certification to self-insure and/or maintain current self-insurance certification. However, it is also anticipated that rules allowing irrevocable standby letters of credit as a form of security may offset some of the increased costs to employers affected by the more stringent security requirements. In addition, enhanced security also affords protection to self-insured employers against catastrophic loss. The agency cannot quantify the increased costs or potential savings offset, in part because fluctuating market factors will affect the costs and savings.
4. Notification regarding claims processor changes will slightly increase costs to some insurers and self-insured employers. The advisory committee told the agency that such notification is already common practice as part of good claims processing. Therefore, the overall effect on industry costs is expected to be minor.
5. Documentation of mailing dates of time-loss checks may slightly increase costs to some insurers and self-insured employers. However, the rules propose a low-cost option to establish a mailing date by procedural documentation of "an explanation of the time period between the date of issuance and mailing."

Statement of Need and Fiscal Impact

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- 6. A civil penalty is a direct cost to the party receiving the penalty. The agency cannot predict the number of worker leasing companies that will be subject to penalties. The potential for penalties, in conjunction with adequate auditing by the agency, may effect compliance in many cases without the need to impose penalties. To the extent these penalties serve to “level the playing field” for worker leasing companies, this change should improve the overall business climate for worker leasing in Oregon.

Administrative Rule Advisory Committee consulted: Yes

February 13, 2003

August 13, 2003

August 18, 2003

Request for public comment:

The agency requests public comment on whether other options should be considered for achieving the goals of these rules while reducing the negative economic impact of the rules on business.

/s/ John L. Shilts

September 12, 2003

Signature and Date

John L. Shilts, Administrator, Workers' Compensation Division

Printed name

PROPOSED RULES, SEPTEMBER 2003
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
ELECTRONIC DATA INTERCHANGE

OREGON ADMINISTRATIVE RULES
CHAPTER 436, DIVISION 160

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General Provisions

436-160-0003 Applicability of Rules

(1) These rules apply to workers' compensation related transactions filed with the director via electronic data interchange on or after [April 1, 2003]**January 1, 2004**.

(2) The director may, unless otherwise obligated by statute, waive any procedural rules in this rule division as justice so requires.

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 656.726(4)
Hist: Adopted 3/17/03 as Admin. Order 03-052, eff 4/1/03
Amended XX/XX/XX as Admin. Order XX-XXX, eff. XX/XX/XX

Proof of Coverage

436-160-0310 Proof of Coverage Electronic Filing Requirements

(1) The chart in Appendix "A" shows all proof of coverage data elements accepted via EDI in Oregon, and whether the data element is mandatory (M), conditional (C), or optional (O) for each transaction type.

(2) Unless otherwise provided in these rules, the data elements shall have the meaning provided in the data dictionary pursuant to OAR 436-160-0004.

(3) Transactions will be rejected if mandatory or required conditional data elements are omitted or submitted in a format that is not capable of being processed by the division's information processing system designated for proof of coverage transactions.

(4) Optional data element(s) in a transaction will be ignored if the optional data element is either omitted, or submitted in a format that is not capable of being processed by the division's information processing system designated for proof of coverage transactions.

(5) Unless otherwise provided in these rules, an insurer approved for production transmissions will transmit proof of coverage via EDI, and will not submit like paper documents to the director except as provided in OAR 436-160-0340.

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 656.264
Hist: Adopted 3/17/03 as Admin. Order 03-052, eff 4/1/03
Amended XX/XX/XX as Admin. Order XX-XXX, eff. XX/XX/XX

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DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
ELECTRONIC DATA INTERCHANGE

436-160-0320 Proof of Coverage Acknowledgement

(1) The division will respond to transmissions submitted with either a transaction accepted or a transaction rejected acknowledgement.

(2) A transaction rejected acknowledgement will be sent for all transactions incapable of being processed by the division's information processing system, including, but not limited to:

(a) An omitted mandatory data element;

(b) An improperly populated data element field, e.g. numeric data element field is populated with alpha or alphanumeric data, or is not a valid value;

(c) Transactions or electronic records within the transaction which require matching and cannot be matched to the division's database;

(d) Illogical data in mandatory or required conditional field, e.g. termination date is before coverage effective date;

(e) Duplicate transmission or duplicate **transaction**^[electronic records] within the transmission;

(f) Invalid triplicate code; or

(g) Illogical event sequence relationship between transactions, e.g. endorsement transaction submitted before a policy transaction is submitted.

(3) A transaction accepted acknowledgement will be sent for all transactions that are in a format capable of being processed by the division's information processing system and are not rejected pursuant to section (2) of this rule.

(4) An insurer's obligation to file proof of coverage for the purposes of this rule is not satisfied unless the director acknowledges acceptance of the transaction.

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264

Hist: Adopted 3/17/03 as Admin. Order 03-052, eff 4/1/03

Amended ~~XX/XX/XX~~ as Admin. Order ~~XX-XXX~~, eff. ~~XX/XX/XX~~

436-160-0340 Proof of Coverage Changes or Corrections

(1) Changes or corrections to proof of coverage information must be submitted pursuant to the standards referenced in OAR 436-160-0004.

(2) To report changes or corrections of an insured employer's name or address pursuant to ORS 656.419(4), or changes or corrections to other data elements, the insurer must transmit the appropriate transaction to specify what data is being changed or corrected.

(3) The insurer's policy number is used to assist in matching each transaction to the appropriate employer. When an insurer changes a policy number, the insurer must report that change with or prior to the next transaction submitted for that policy. Failure to report a change in the policy number will render future filings incapable of being processed by the division's information processing system and the insurer will receive a transaction rejected acknowledgement.

(4) If changing a partner name of an insured or employer does not change the entity, a new guaranty contract does not need to be filed.

(5) A transaction to change the effective date of coverage is capable of being processed by the division's information processing system only if the new date does not create a lapse in coverage. To report a change to the effective date of coverage which results in a lapse, the insurer must submit transactions to terminate the current guaranty contract and file a new guaranty contract.

PROPOSED RULES, SEPTEMBER 2003
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
ELECTRONIC DATA INTERCHANGE

(6) To add or delete coverage for corporate officers, members of a limited liability company, partners, sole proprietors or other non-subject workers, the insurer must file written notice to the director listing the individual names as required by ORS 656.419.

(7) Transactions to change the wrap-up indicator, **business market, assignment date, and professional employer organization (worker leasing company) indicator** are not capable of being processed by the division's information processing system.

[(8) Transactions to change the business market, assignment date, and professional employer organization (worker leasing company) indicator are not capable of being processed by the division's information processing system.]

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264 and ORS 656.419

Hist: Adopted 3/17/03 as Admin. Order 03-052, eff 4/1/03

Amended XX/XX/XX as Admin. Order XX-XXX, eff. XX/XX/XX

436-160-0350 Guaranty Contract Filing Requirements

(1) For the purpose of these rules, an electronic guaranty contract consists of an executed trading partner agreement containing the guaranty described in subsection (2)(a) of this rule, and an accepted proof of coverage insured and employer electronic record.

(2) To file a guaranty contract via EDI, an insurer must do all of the following:

(a) Enter into a trading partner agreement with the director pursuant to OAR 436-160-0020 that contains a statement of assumption of liability and guaranty of payment pursuant to ORS 656.419(1);

(b) Transmit an electronic record of the proof of coverage data elements identified as mandatory or required conditional pursuant to OAR 436-160-0310, including a unique FEIN for each legally distinct employer included in the establishing document transaction; and

(c) Transmit an establishing document transaction: binder, new policy, renew policy, rewrite/reissue policy, reinstatement, add location, add employer, or add jurisdiction. A renew policy, add location, or add employer transaction will only establish a guaranty contract if the data elements have not previously been transmitted, the employer FEIN is not a duplicate per section (3) below, and coverage for that unique employer FEIN has not been previously established by the reporting carrier. A reinstatement transaction will only establish a new guaranty contract if there is a lapse in coverage and the requirements of ORS 656.419 and OAR 436-160-0350 are otherwise met.

(3) A duplicate FEIN or a FEIN previously reported under the same policy will be recorded as an additional employer location and/or an assumed business name, but will not establish an additional guaranty contract.

(4) Reinstatement, rewrite, and reissue transaction types must follow a cancellation transaction.

(5) If an employer elects to include any non-subject worker(s) under coverage pursuant to ORS 656.419(2)(d), or subsequently to exclude such workers from coverage, the insurer must

[(a) s] submit a transaction with a reason code for including or excluding a corporate officer, partner, member, sole proprietor, or any other person[; and

(b) File written notice with the director naming the otherwise non-subject workers to be included or previously included non-subject workers to be excluded under the guaranty contract].

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264, ORS 656.419, ORS 656.423, and ORS 656.427

Hist: Adopted 3/17/03 as Admin. Order 03-052, eff 4/1/03

Amended XX/XX/XX as Admin. Order XX-XXX, eff. XX/XX/XX

PROPOSED RULES, SEPTEMBER 2003
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
ELECTRONIC DATA INTERCHANGE

436-160-0360 Guaranty Contract Terminations

(1) For the purposes of EDI, to terminate a guaranty contract when an insurer receives written notice of cancellation of coverage from an employer pursuant to ORS 656.423, the insurer must:

(a) Provide notice to the director **no more than 14 calendar days after the effective date of termination** by transmitting the transaction type for cancellation by insured or nonrenewal by insured. **The "transaction effective date" will be used to report the effective date of termination pursuant to ORS 656.427;**

(b) Retain the employer's written notice for inspection by the division; and

(c) Provide written notice to the employer pursuant to ORS 656.427(1) and (3).

(2) For the purposes of EDI, to terminate a guaranty contract for any other reason, the insurer must:

(a) Provide notice to the director by transmitting the transaction type for cancellation or nonrenewal pursuant to section [(4)]**(5)** below; and

(b) Provide written notice to the employer pursuant to ORS 656.427(1) and (3).

(3) The date [and hour] of termination must be included in the written notice to the employer to terminate a guaranty contract. For the purposes of notice to the director, the [hour cannot be reported via EDI and is deemed to be 12 midnight] **transaction effective date is the termination effective date**[:].

[(a) 30 days after the date notice under ORS 656.427(2)(a) is received by the director pursuant to OAR 436-160-0040, or on the transaction set type effective date, whichever is later; or

(b) 90 days after the date notice under ORS 656.427(2)(b) is received by the director pursuant to OAR 436-160-0040 or on the transaction set type effective date, whichever is later.]

(4) A delete location transaction can be used to notify the director that one or more locations for an employer are no longer workplaces of the employer. This transaction does not meet the requirements of ORS 656.427 for notice of termination.

(5) If the intent of an insurer is to terminate guaranty contract liability for all insureds under a policy, the insurer must use a cancellation or nonrenewal transaction type and must report all covered employers.

(6) Delete jurisdiction transactions are not capable of being processed by the division's information processing system and will result in a transaction rejected acknowledgement being sent to the **sender**[insurer].

(7) Failure to provide timely notice to the director of termination of an insurer's guaranty contract may result in civil penalties pursuant to ORS 656.745.

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264, ORS 656.419, ORS 656.423 and ORS 656.427

Hist: Adopted 3/17/03 as Admin. Order 03-052, eff 4/1/03

Amended XX/XX/XX as Admin. Order XX-XXX, eff. XX/XX/XX

Data element	Data Element Number	Establishing document transactions	Endorsement	Cancellation or Nonrenewal by Insurer	Cancellation or Nonrenewal by Insured	Reinstatement
INSURED RECORD						
Transaction Set ID	DN001	M	M	M	M	M
Record Sequence Number	DN107	M	M	M	M	M
Transaction Set Purpose Code	DN300	M	M	M	M	M
Jurisdiction Designee Received Date	DN302	M	M	M	M	M
Transaction Set Type Code	DN002	M	M	M	M	M
Transaction Reason Code	DN303	M	M	M	M	M
Transaction Set Type Effective Date	DN304	M	M	M	M	M
Insurer FEIN	DN006	M	M	M	M	M
Insurer Name	DN007	M	O	O	O	O
Issuing Office Name	DN305	O	O	O	O	O
Issuing Office Address Line 1	DN306	O	O	O	O	O
Issuing Office Address Line 2	DN307	O	O	O	O	O
Issuing Office City	DN308	O	O	O	O	O
Issuing Office State	DN309	O	O	O	O	O
Issuing Office Postal Code	DN310	O	O	O	O	O
Issuing Agency Name	DN311	O	O	O	O	O
Issuing Agency City	DN312	O	O	O	O	O
Issuing Agency State	DN313	O	O	O	O	O
Insured FEIN	DN314	M	M	M	M	M
Insured Name	DN017	M	M	M	M	M
Insured Address Line 1	DN315	M	O	O	O	O
Insured Address Line 2	DN316	O	O	O	O	O
Insured City	DN317	M	O	O	O	O
Insured State	DN318	M	O	O	O	O
Insured Postal Code	DN319	M	O	O	O	O
Insured Telephone Number	DN320	[M]O	O	O	O	O
Business Market	DN321	O	O	O	O	O
Wrap-Up Indicator	DN322	C	O	O	O	O
Insured Legal Status	DN323	M	O	O	O	O
Employee Leasing Policy Identification	DN333	M	O	O	O	O
Policy Number	DN028	M	M	M	M	M
Policy Effective Date	DN029	M	O	O	O	M
Policy Expiration Date	DN030	O	O	O	O	O
Prior Policy Number	DN324	C	O	O	O	O
Assignment Date	DN325	O	O	O	O	O
Jurisdiction	DN004	M	M	M	M	M
Governing Class	DN326	M	O	O	O	O
Total Payroll	DN327	O	O	O	O	O
Number of Employers	DN328	M	M	M	M	M
EMPLOYER RECORD						
Transaction Set ID	DN001	M	M	M	N/A	N/A
Record Sequence Number	DN107	M	M	M		
Employer FEIN	DN016	M	M	M		
Employer UI Code	DN329	O	O	O		
Employer Name	DN018	M	M	O		
Employer Address Line 1	DN019	M	O	O		
Employer Address Line 2	DN020	O	O	O		
Employer City	DN021	M	O	O		
Employer State	DN022	M	O	O		
Employer Postal Code	DN023	M	O	O		
Industry Code	DN025	[M]O	O	O		
Number of Employees	DN330	O	O	O		
Employer Notification Date	DN331	O	O	O		