Print Form

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION
160 Promenade Circle Suite #340
Sacramento, CA 95834-2962

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TO: Workers' Compensation Claims Administrators

RE: **2017 Annual Report of Inventory for Claims Reported During Calendar Year (CY) 2016.**

Title 8, California Code of Regulations, Section 10104 requires claims administrators of California workers' compensation claims to file with the Administrative Director, by April 1 of each year, an Annual Report of Inventory indicating the number of claims reported at each adjusting location for the preceding calendar year. The report for CY 2016 must be filed by April 1, 2017. Enclosed is an Annual Report of Inventory. Even if you had no claims reported in the prior year, you must complete and submit the report. Each adjusting location is required to submit an Annual Report of Inventory, whether or not they receive a form for reporting claims from this office.

When completing the Annual Report of Inventory, be mindful of the following requirements:

- The population of claims reported must distinguish the claims by type: indemnity claims, denied claims, and medical-only claims.
- The DWC Audit Unit definition of "indemnity claim" is: a claim "… that ***has resulted*** in the payment…" of indemnity [8CCR§10100.2(x)].
- The DWC Audit Unit definition of "adjusting location": "Separate underwriting companies, self-administered, self-insured employers, and/or third party administrators operating at one location shall be combined as one audit subject…" (but) "… only if claims are administered under the same management at that location.…For auditing purposes, any separate office or location whose staff includes local management may be considered a single adjusting location" [8CCR§10100.2(a)].

Instructions for Completion of the Annual Report of Inventory

Part 1 of the Annual Report of Inventory must be completed for each adjusting location of California workers' compensation claims, including self-insured claims and/or insured claims, whether insured under specific workers' compensation policies, under commercial line policies, or the workers' compensation endorsement of homeowner commercial line policies. The report must include all workers' compensation claims, open and closed, reported at the location during the preceding year.

Part 2 of the Annual Report of Inventory must be completed for each adjusting location that administers claims for more than one entity. For instance, if claims are administered for separate underwriting companies that are part of an insurance group and/or for self-insured employers, the numbers of claims reported for each separate underwriting company of the insurer group and/or client (insurer or self-insured employer) of the TPA must be indicated separately on Part 2 of the Report of Inventory.

- Claims Administrators having two types of operations at the same location (i.e., - self-administered insurer and a third-party administrator for insurers, self-insured employers or legally uninsured employers) must submit individual reports for each operation if the separate entities (e.g., the insurer and the TPA) are under separate management.
- If claims reported to an adjusting location in 2016 were subsequently transferred during CY 2015 to another adjusting location, the claims shall be reported for the adjusting location of record on December 31, 2016.

DWC's Research Unit has asked that the Audit Unit request the claims administrator's FEIN number for each adjusting location, and the FEIN for all underwriting companies and/or clients for which claims are administered at the given location. This information will be used by the Research Unit to match claims information submitted electronically to Workers' Compensation Information System with that reported to the Audit Unit on the Annual Report of Inventory.

Penalties of up to $500 per location for failure to timely file this Report of Inventory may be assessed under Title 8, California Code of Regulations, Section 10111.1(b)(11) or 10111.2(b)(25). This report must be filed no later than April 1, 2017.

First class mail: State of California
Department of Industrial Relations
Division of Workers' Compensation - Audit and Enforcement Unit
160 Promenade Circle, Suite #340
Sacramento, CA 95834-2962

Facsimile: 916.928.3183

Audit Unit mailbox: DWCAuditUnit@dir.ca.gov

If you have any questions, please contact the Sacramento Audit Unit office at (916) 928-3180.

Department of Industrial Relations
Division of Workers' Compensation - Audit Unit

Encl.

2016 ANNUAL REPORT OF CLAIMS INVENTORY

To: **State of California, Department of Industrial Relations**
Division of Workers' Compensation, Audit Unit ~ Attn: ARI Desk
160 Promenade Circle, Suite 340
Sacramento, CA 95834-2962

COMPANY NAME _____

COMPANY FEIN _____

STREET ADDRESS _____

CITY/STATE/ZIP _____

MAILING ADDRESS _____

CITY/STATE/ZIP _____

CONTACT NAME _____

TELEPHONE _____

FACSIMILE _____

E-MAIL _____

☐ Self-Administered Insurance Company or Group

☐ Third-Party Administrator

☐ Self-Administered Self-Insured Employer (private or public)

☐ Self-Administered Joint Powers Authority

☐ Combination of any of the following, but only if administered under the same local management. (Check two or more):

- ☐ Self-Administered Insurance Company or Group
- ☐ Self-Administered Self-Insured Employer
- ☐ Third-Party Administrator

Number of California workers' compensation claims reported at this location during the 2016 year:

Type of Claim	Number
Indemnity	_____
Denied	_____
Medical-Only	_____
Total:	_____

NOTE: How many of the designated indemnity claims have indemnity payments? _____ **Number**

Submitted by: _____

Title: _____

Date: _____

Note: Insurer Groups (more than one underwriting company at the same location), third-party administrators, and combinations of the two must complete Part 2.
Reports of Claims Inventory for each adjusting location of California workers' compensation claims are due by April 1 of each calendar year for the previous calendar year.
Failure to timely submit reports may be subject to penalty assessments of up to $500 per location.

2016 ANNUAL REPORT OF CLAIMS INVENTORY

PART 2

For each individual underwriting company in an insurance group or client of a third-party administrator (whether a self-insured employer or an insurer), whose claims are administered at the adjusting location, complete the following:

COMPANY NAME _____

COMPANY FEIN _____

MAILING ADDRESS _____

CITY/STATE/ZIP _____

CONTACT NAME _____

TELEPHONE _____

FACSIMILE _____

E-MAIL _____

CHECK ONE:

☐ Insurance Company

☐ Self-insured employer (private or public including joint powers authority)

Type of Claim	**Number**
Indemnity	_____
Denied	_____
Medical-only	_____
Total:	_____
Note: How many of the designated indemnity claims have indemnity payments?	_____

COMPANY NAME _____

COMPANY FEIN _____

MAILING ADDRESS _____

CITY/STATE/ZIP _____

CONTACT NAME _____

TELEPHONE _____

FACSIMILE _____

E-MAIL _____

CHECK ONE:

☐ Insurance Company

☐ Self-insured employer (private or public including joint powers authority)

Type of Claim	**Number**
Indemnity	_____
Denied	_____
Medical-only	_____
Total:	_____
Note: How many of the designated indemnity claims have indemnity payments?	_____

Complete and attach additional sheets if necessary. The sum of the totals for claims of all entities reported for Part 2 must equal the total of claims reported for Part 1.