

DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION

**Audit Unit**

2424 Arden Way, Suite #305
Sacramento, CA 95825-2403

Tel: (916) 263-2710

Fax: (916) 263-2712

TO: Workers' Compensation Claims Administrators**RE: 2008 Annual Report of Inventory for Claims Reported During Calendar Year (CY) 2007**

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 2007 must be filed by April 1, 2008. 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(a)].
- 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." [8CCR§10100.2(q)].

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 list all workers' compensation claims, open and closed, reported at the location during the preceding year. **Additionally, please report your total open pending claims as of the end of 2007.**

Part 2 of the Annual Report of Inventory must be completed for each adjusting location that includes claims that are administered 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 first reported to a different adjusting location during the year were transferred to the reporting location during the year, the claims shall be reported for the adjusting location of record on January 1 of the present year.

Should your operations relocate, open new locations, close locations, change from TPA-administered to self-administered or from self-administered to TPA-administered, or change from self-insured to insured during 2008, please advise the Administrative Director by way of the Audit Unit - ARI Desk at the address listed on the enclosed form.

Penalty assessments 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 by April 1, 2008.

If you have any questions, please contact the Sacramento Audit Unit office at (916) 263-2710.

Enc.

2008 ANNUAL REPORT OF CLAIMS INVENTORY

**TO: State of California, Department of Industrial Relations
 Division of Workers' Compensation, Audit Unit ~ Attn: ARI Desk
 2424 Arden Way, Suite 305
 Sacramento, CA 95825**

PART 1

| | |
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| <p>COMPANY NAME:</p> <p>STREET ADDRESS:</p> <p>CITY/STATE/ZIP</p> <p>P. O. BOX</p> <p>CITY/STATE/ZIP</p> <p>MANAGER NAME:</p> <p>TELEPHONE:</p> <p>FAX NO.</p> <p>E-MAIL:</p> | <p>CHECK ONE:</p> <p><input type="checkbox"/> Self-Administered Insurance Company or Group</p> <p><input type="checkbox"/> Third-Party Administrator</p> <p><input type="checkbox"/> Self-Administered Self-Insured Employer (private or public)</p> <p><input type="checkbox"/> Self-Administered Joint Powers Authority</p> <p><input type="checkbox"/> Combination of any of the following, but only if administered under the same local management. (Check two or more):</p> <p><input type="checkbox"/> Self-Administered Insurance Company or Group</p> <p><input type="checkbox"/> Self-Administered Self-Insured Employer</p> <p><input type="checkbox"/> Third-Party Administrator</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Number of California workers' compensation claims reported at this location during the 2007 calendar year:

| TYPE OF CLAIM | NUMBER | | NUMBER |
|----------------|--------|-------------------------------------|--------|
| • Indemnity | _____ | • Indemnity with indemnity payments | _____ |
| • Denied | _____ | • Open claims from end of year 2007 | _____ |
| • Medical-only | _____ | | |
| TOTAL: | _____ | | |

Signature _____

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, 2008**
- Failure to timely submit reports may subject you to penalty assessments of up to \$500 per location.

2008 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 during calendar year 2007, complete the following:

| <p>COMPANY NAME:</p> <p>STREET ADDRESS:</p> <p>CITY/STATE/ZIP:</p> <p>MAILING ADDRESS: (P. O. BOX; CITY/STATE/ZIP)</p> <p>MANAGER NAME:</p> <p>TELEPHONE:</p> <p>FAX NO:</p> <p>E-MAIL:</p> | <p>CHECK ONE:</p> <p>_____ Insurance Company</p> <p>_____ Self-insured employer (private or public including joint powers authority)</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">TYPE OF CLAIM</th> <th style="text-align: right; border-bottom: 1px solid black;">NUMBER</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">• Indemnity</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">• Denied</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">• Medical Only</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; border-bottom: 1px solid black;">Total</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">• Indemnity with payments</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">• Open claims at end of 2007</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> </tbody> </table> | TYPE OF CLAIM | NUMBER | • Indemnity | _____ | • Denied | _____ | • Medical Only | _____ | Total | _____ | • Indemnity with payments | _____ | • Open claims at end of 2007 | _____ |
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| • Open claims at end of 2007 | _____ | | | | | | | | | | | | | | |

Complete and attach additional sheets if necessary.

****Note: The sum of the totals for claims of all entities reported for Part 2 must equal the total of claims reported for Part 1.**