



August 28, 2018

Ms. Yoon Ferguson
Agency Clearance Officer
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room S-3323
Washington, DC 20210

Re: Notice of Termination, Suspension, Reduction or Increase in Benefit Payments (CM-908)

Ms. Yoon:

The National Council on Compensation Insurance (NCCI) offers these comments in response to the United States Department of Labor, Office of Workers Compensation Programs (OWCP) Federal Register Notice (83 FR 30783) requesting comments on the extension of the Notice of Termination, Suspension, Reduction or Increase in Benefit Payments (CM-908). These comments focus on the use of the data reported to OWCP by responsible operators (ROs), and its utilization in the actuarial analysis and ratemaking for coal mine classifications.

By way of background, NCCI's mission is to foster a healthy workers compensation system. In support of this mission, NCCI gathers data, analyzes industry trends, and provides objective insurance rate and loss cost recommendations. NCCI is the nation's largest workers compensation statistical agent and rating organization providing services to 37 states and the District of Columbia. Additionally, NCCI provides the OWCP Divisions of Coal Mine Workers Compensation and Longshore and Harbor Workers Compensation with workers compensation policy coverage information.

The claims data reported by ROs is incorporated in the claims extract provided by OWCP to NCCI on a quarterly basis. NCCI utilizes this data in its workers compensation insurance ratemaking process for applicable coal mine classifications. It is clear that the OWCP is best positioned to provide this data. A disruption in the current CM-908 Notice reporting requirement process would adversely impact the accuracy of ratemaking for these classifications.

In states with significant coal mine activity, NCCI includes an additional disease component in the loss costs and/or rates for the coal mining classifications to account for potential work-related pneumoconiosis (i.e., Black Lung) benefit payments.

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NCCI annually calculates loss costs and rates for workers compensation insurance including Black Lung. NCCI analyzes the OWCP data to project both the frequency and average claim costs of approved black lung claims as follows:

- Frequency Projections – The number of Federal Black Lung entitlements on a countrywide basis, for both insureds and self-insureds, are gathered and utilized, for all available years and reports. This information is used to calculate frequency projections for both living miner claims, as well as living widow claims.
- Average Claim Costs – Losses are projected using monthly benefit amounts and an annuity calculation. The annuity inputs rely on several selections that are made upon reviewing information from the OWCP, such as age of miner at entitlement.

Total coal mining payroll across all NCCI jurisdictions is in excess of \$2 billion dollars annually. This payroll generates hundreds of millions of dollars in premium each year intended to cover Black Lung benefits. The information available from OWCP is integral to NCCI in its Black Lung analysis, and the development of adequate loss costs and rates needed to adequately cover this exposure. It is vital that OWCP continues to collect this information to ensure that the assumptions underlying the Black Lung disease analysis are appropriate.

NCCI appreciates the opportunity to provide these comments to OWCP. Please do not hesitate to contact us if you have any questions or would like to discuss further. I may be reached at 202-403-8526 or tim_tucker@ncci.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Tucker", with a stylized flourish at the end.

Tim Tucker
Washington Affairs Executive