

SUPPORTING STATEMENT

**APPLICATION FOR SELF-INSURANCE UNDER
THE BLACK LUNG BENEFITS ACT
1240-ONEW**

This new Information Collection Request (ICR) would provide information sufficient for the Office of Workers' Compensation Programs (OWCP) to determine whether a coal mine operator should be (or continue to be) authorized to self-insure its liabilities under the Black Lung Benefits Act (BLBA), 30 U.S.C. 901 *et seq.* The information will also allow OWCP to determine the security amount a coal mine operator must deposit to guarantee that it will be able to meet its BLBA liabilities.

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collections. Attach a copy of the appropriate section of each statute and of each regulation mandating or authorizing the collection of information

OWCP administers the BLBA, which provides both disability and medical benefits to coal miners who are totally disabled due to pneumoconiosis (commonly called black lung disease) arising out of coal mine employment, and survivor's benefits to certain miners' dependent survivors. These benefits are generally paid by a coal mine operator who employed the miner.

To secure benefit payments, the BLBA requires covered coal mine operators to purchase insurance from a carrier authorized by the Secretary of Labor to write BLBA insurance, or to become an authorized self-insured operator in accordance with the Secretary's regulations. 30 U.S.C. § 933. OWCP determines whether a coal mine operator should be authorized to self-insure and, if so, the amount of any security the operator must post to guarantee payment of its BLBA liabilities. To make these determinations, OWCP must evaluate the operator's financial capacity and potential claims liability. This involves analyzing the nature of the operator's business, the business' structure, detailed financial information, actuarial predictions, historic rates of payments, and current claims information. The regulations implementing the self-insurance provision allow OWCP to collect this information from operators

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applying for (or renewing) authorization to self-insure their
BLBA liabilities. (20 CFR 726.102, 726.112).

All of the information sought with this collection is in the
control of the coal mine operator and, for new self-insurance
applicants, its commercial insurance carriers.

**2. Indicate how, by whom, and for what purpose the information
is to be used. Except for a new collection, indicate the actual
use the agency has made of the information received from the
current collection.**

The information collected is used by OWCP staff to determine
whether a coal mine operator should be authorized (or continue
to be authorized) to self-insure its BLBA liabilities and to
determine the amount of security an authorized self-insurer must
deposit. **Forms CM-2017** (Application or Renewal of Self-
Insurance Authority) and **CM-2017a** (Financial Summary for Self-
Insured Operators) request basic information about the
applicant's business including financial information,
subsidiaries it wants to cover under its self-insurance
authority, basic historical claims information, how it intends
to administer claims as a self-insurer, and an actuarial
analysis of projected BLBA liabilities. This information allows
OWCP to assess the operator's current financial health and
evaluate the operator's qualifications to self-insure its
liabilities. If this information were not collected, self-
insurance authorizations could not be granted (or renewed) as
required by the statute.

Form CM-2017b (Report of Claims Information for Self-Insured
Operators) requests a report showing all outstanding claims
against the applicant and its subsidiaries, and the particulars
of each case. OWCP sets the operator's security deposit amount
relative to its outstanding liabilities. If the information
were not collected, there would be no way to set a new self-
insurer's security deposit amount or determine whether a current
self-insurer's security deposit was adequate to provide for the
continued payment of benefits if the self-insurer were to become
insolvent or bankrupt.

**3. Describe whether, and to what extent, the collection of
information involves the use of automated, electronic,
mechanical, or other technological collection techniques or
other forms of information technology, e.g. permitting
electronic submission of responses, and the basis for the**

decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

In accordance with the Government Paperwork Elimination Act, Forms CM-2017, CM-2017a, and CM-2017b will be available in an electronically interactive format on OWCP's website. Once completed and executed, the operator will have two methods for submission: (1) print the forms and required attachments in hard copy and send them to OWCP by mail or other delivery method; or (2) e-mail the forms and required attachments to OWCP. The instructions for each form specify a mailing address and e-mail address for these purposes. In addition, the instructions for Form CM-2017b (Report of Claims Information for Self-Insured Operators) advise the respondent to contact OWCP if it wishes to submit the requested information in a format other than the form (e.g., an electronic spreadsheet format). OWCP intends to accept this claims information in any format convenient for the respondent so long as the data can be extracted by OWCP's own computer systems.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

The information requested in this ICR is not duplicative of any information available elsewhere.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This information collection contains only that information required for OWCP to make a self-insurer or security-deposit decision. Generally, the respondents are large coal mine operators. In any event, this collection does not impose additional burdens on small businesses or other small entities because coal mine operators routinely maintain the information requested in the normal course of business as part of their usual business practices or as part of self-insuring its liabilities.

6. Describe the consequence of Federal program or policy activities if the collection is not conducted or is conducted

less frequently, as well as any technical or legal obstacles to reducing burden.

Please refer to Nos. 1 and 2 (see pages 1 & 2). If this information were not collected, OWCP would be unable to determine whether a coal mine operator has the financial capacity to qualify as a self-insurer or to determine the amount of security an operator must deposit in order to assure prompt payment of its BLBA obligations if the operator defaults or becomes insolvent. Because a coal mine operator's BLBA obligations change from year-to-year (e.g., new claims are filed, previously filed claims are paid in full) annual evaluation of the required security deposit amount is necessary.

7. Explain any special circumstances required in the conduct of this information collection.

There are no special circumstances for the collection of this information.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.

On October 20, 2017, OWCP published a Notice in the Federal Register that provides a 60-day period for the public to comment on this collection of information. 82FR50166 (October 30, 2017).

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts are made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.

The information collected from respondents is exempt from public disclosure to the extent provided in 5 U.S.C. § 552(b) and the Department of Labor's implementing regulations. 20 CFR 726.113.

OWCP may share the information with contractors it employs to manage data or analyze the information collected for purposes of determining whether a coal mine operator should be authorized to self-insure or the amount of the required security deposit.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary; the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature in this information collection.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not make special surveys to obtain information on which to base burden estimates. Consultation with a sample of potential respondents is desirable. If the burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reason for the variance. Generally, estimates should not include burden hours for customary and usual business practices. Provide estimates of the hour burden of the collection of information.

Estimated Annualized Respondent Cost and Hour Burdens

Form	Number of Respondents	Number of Responses per Respondent	Total Number of Responses	Avg. Burden per Response (In Hrs.)	Total Burden Hours	Hourly Wage Rate*	Total Burden Costs
CM-2017 Application /Renewal	53	1	53	2	106	\$36.89	\$3,910.34
CM-2017a Financial Summary	53	4	212	20/60	71	\$64.58	\$4,585

CM-2017b Report of Claims Information	53	1	53	2	106	\$67.17	\$7,120.02
Duplicated Total	53	--	318	--	283	--	\$15,615.36

*The hourly wage of \$36.89 for accountants, taken from the May 2016 National Occupational Employment and Wage Estimates, published by the Bureau of Labor Statistics at <https://www.bls.gov/oes/current/oes132011.htm>

*The hourly wage of \$67.17 for Financial Managers, taken from the May 2016 National Occupational Employment and Wage Estimates, published by the Bureau of Labor Statistics at <https://www.bls.gov/oes/current/oes113031.htm>.

13. Annual Costs to Respondents (capital/start-up & operation and maintenance).

There will be no design or software needed in order to provide the information requested on forms CM-2017, CM-2017a and CM-2017b. The information requested is contained in the respondents' current data bases in the normal course of business and is readily available.

From the 53 respondents, each will complete and submit forms CM-2017, CM-2017a and CM-2017b.

CM-2017 and CM-2017b will be completed and submitted annually (2 X 53 = 106).

CM-2017a will be completed and submitted quarterly by the 53 respondents (53 X 4 = 212). It is estimated that half of these respondents will submit their completed forms by electronic method (212 / 2 = 106)

The remaining half (106) of the respondents will submit their completed forms by mailing them.

CM-2017 27 (rounded up from 26.5) \$2.53 (\$2.50 postage + .03 envelope) = \$68.31
CM-2017a 106 .52 (\$.49 postage + .03 envelope) = \$55.12
CM-2017b 27 (rounded up from 26.5) .52 (\$.49 postage + .03 envelope) = \$14.04

The total annual costs to respondents is \$137.47

14. Provide estimates of annualized cost to the Federal Government.

The total Federal cost estimate for the three forms is estimated at \$15,351.60.

CM-2017

The Federal cost estimate of \$7,239.46 was determined for an average annual usage of 53 forms as follows:

- o mailing 34 x \$.52 per form = \$17.68
(\$.49 postage plus \$.03 envelope)
The remaining 19 forms will be sent to the respondent electronically.

- o processing A GS-13/1 (\$45.42 per hour) spends 120 minutes processing each of the 53 forms.
https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB_h.pdf
53 X 120 minutes = 106 hours X \$45.42 =

\$4,814.52

CM-2017a

The Federal cost estimate of \$3,279.94 was determined for an average annual usage of 212 forms as follows:

- o mailing 106 x \$.52 per form = \$55.12
(\$.49 postage plus \$.03 envelope)
The remaining 106 forms will be sent to the respondent electronically.

- o processing A GS-13/1 (\$45.42 per hour) spends 20 minutes processing each of the 212 forms.
https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB_h.pdf
212 X 20 = 4,240 min / 60 = 71 (70.667 rounded up) hours X \$45.42 = \$3,224.82

CM-2017b

The Federal cost estimate of \$4,832.20 was determined for an average annual usage of 53 forms as follows:

- o mailing 34 x \$.52 per form = \$17.68
(\$.49 postage plus \$.03 envelope)
The remaining 19 forms will be sent to the respondent electronically.

- o processing A GS-13/1 (\$45.42 per hour) spends 120 minutes processing each of the 53 forms.
https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB_h.pdf
53 X 120 = 106 hours X \$45.42 = \$4,814.52

Federal Cost Summary

CM-2017	\$7,239.46
CM-2017a	\$3,279.94
CM-2017b	\$4,832.20
Total Federal Cost	\$15,351.60

15. Explain the reasons for any program changes or adjustments.

This is a new data collection.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection information, completion of report, publication dates, and other actions.

There are no plans to publish data collected under this request.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This information collection request does not seek a waiver from the requirement to display the expiration date.

18. Explain each exception to the certification statement in ROCIS.

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in these collections of information.