

No. 3

December 15, 1972



NOTICE TO INSURANCE CARRIERS AND SELF-INSURED EMPLOYERS

SUBJECT: Assessments for the Special Fund Under Amended Section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as extended

Subsection 44(c) of the Longshoremen's and Harbor Workers' Compensation Act, as extended, was amended by P.L. 92-576, enacted October 27, 1972 to provide additional payments into the special fund to cover increased compensation and death benefits and other expenses to be paid from the fund. A copy of subsections 44(c) and (d) is attached. Payments into the fund shall be as follows:

- (1) \$5,000 in death cases where the requirements set forth in subsection 44(c)(1) are met (see attachment);
- (2) Assessment of insurance carriers and self-insured employers to cover probable future expenses of the fund. Assessments are to be prorated in accordance with subsection 44(c)(2) (see attachment); and
- (3) Amounts collected as fines and penalties.

The amended subsection 44(c)(2) provides that the probable expenses of the special fund will be estimated by the Department of Labor for calendar year 1973, and for each year thereafter, for payments specified in Section 44(j). After such estimate is made each insurance carrier or self-insured employer will then be required to make payments into the fund to cover the expenses on a prorated assessment in the proportion that the total compensation and medical payments made on risks covered by this Act and its extensions by each carrier and self-insured bears to the total of such payments made by all carriers and self-insureds under the Act during calendar year 1972. The formula and schedule for payment will be determined so as to maintain adequate reserves in the fund.

Include your address, ZIP code, and file number on all correspondence

SPECIAL FUND

Section 44 of the Longshoremen's and Harbor Workers' Compensation Act relating to the special fund was amended by P.L. 92-576 to read as follows:

"(c) Payments into such fund shall be made as follows:

"(1) Whenever the Secretary determines that there is no person entitled under this Act to compensation for the death of an employee which would otherwise be compensable under this Act, the appropriate employer shall pay \$5,000 as compensation for the death of such an employee.

"(2) At the beginning of each calendar year the Secretary shall estimate the probable expenses of the fund during that calendar year and each carrier or self-insurer shall make payments into the fund on a prorated assessment by the Secretary in the proportion that the total compensation and medical payments made on risks covered by this Act by each carrier and self-insurer bears to the total of such payments made by all carriers and self-insurers under the Act in the prior calendar year in accordance with a formula and schedule to be determined from time to time by the Secretary to maintain adequate reserves in the fund.

"(3) All amounts collected as fines and penalties under the provisions of this Act shall be paid into such fund.

"(d)(1) For the purpose of making rules, regulations, and determinations under this section and for providing enforcement thereof, the Secretary may investigate and gather appropriate data from each carrier and self-insurer. For that purpose, the Secretary may enter and inspect such places and records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate.

"(2) Each carrier and self-insurer shall make, keep, and preserve such records, and make such reports and provide such additional information, as prescribed by regulation or order of the Secretary, as the Secretary deems necessary or appropriate to carry out his responsibilities under this section.

"(3) For the purpose of any hearing or investigation related to determinations or the enforcement of the provisions of this section, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U.S.C. title 15, sec. 49 and 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor."

Attached is a card report form LS-513T upon which your company is to report during the month of January 1973, for each compensation Act listed on the form under which the company made payments during calendar year 1972, the following information:

- (1) Number of cases on which medical or compensation payments were made during 1972;
- (2) Total dollar amount of compensation payments made between January 1, 1972 and December 31, 1972; and
- (3) Total dollar amount of medical payments made between January 1, 1972 and December 31, 1972.

The reverse of the form should be signed by an officer or official of the company duly authorized to file the report, who has examined the facts reported, and certifies that they are true to the best of his knowledge. Printed signatures will not be accepted.

This Office will communicate with you again after all reports have been received, the total amount needed for the fund has been estimated for 1973, and the amounts of the prorated assessments ascertained. Payment of the assessment by the date to be announced later will be a condition of any carrier's or self-insured's renewal of authorization after June 30, 1973.

If you need further information about submitting the information required by this report, please address inquiries to Mr. John E. Stocker, Acting Deputy Director, Office of Workmen's Compensation Programs, U.S. Department of Labor, Washington, D. C. 20211. You may also call (Area Code 202-382-1336).



HERBERT A. DOYLE, JR.
Acting Director, Office of
Workmen's Compensation Programs

Attachments