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NOTICE TO INSURANCE CARRIERS, SELF-INSURED EMPLOYERS UNDER THE
LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT, AND OTHER
INTERESTED PERSONS

SUBJECT: The YEAR 2000 PROBLEM

President Clinton has told his Cabinet, in no uncertain terms, of the need to successfully prepare Federal departments and agencies for the transition to year 2000. In addition, Federal agencies need to reach out to domestic and international organizations and businesses that are part of the economic sectors in which we operate to increase awareness of the year 2000 problem.

What is the Year 2000 Problem? Many computers that use two digits to keep track of the date will, on January 1, 2000, recognize "double zero" not as 2000 but as 1900. This glitch could cause them to stop running or to start generating erroneous data.

Will the Year 2000 Problem Affect the Average American? The year 2000 problem poses a serious threat to the global economy in which Americans live and work. Our economy is dependent upon the electronic processing and exchange of financial and other data; thus, any failure -- for example, difficulties a bank may have in completing transactions, slowdowns in commuter traffic due to malfunctioning traffic signals, power companies being unable to provide electricity to some of their customers -- may cause disruptions in the lives of the American people.

Possible Impact on Beneficiaries Under the Longshore and Harbor Workers' Compensation Act. The payment of benefits under the Longshore and Harbor Workers' Compensation Act has become dependent on electronic processing and exchange of data. This obviously includes benefit payments made from the Special Fund by the Division of Longshore and Harbor Workers' Compensation. Any failure in these automated systems may cause serious disruptions in the delivery of benefits to injured workers or their survivors. We are concerned about this potential problem

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and think that self-insured employers and insurance carriers should be too.


Is This a Problem Without a Solution? No. The technical "fix" is straightforward, but the complexity of many of our computer systems and their interactions with each other make it time-consuming to implement. The question is: In the time remaining, how best to marshal the resources needed to deal with the problem.

The Division of Longshore and Harbor Workers' Compensation has been working to ensure that our mission-critical systems are year 2000 compliant and that continuity of service to our customers is maintained. It is our objective to have all our mission-critical systems year 2000 compliant by December 1998. Self-insured employers and insurance carriers also have the responsibility and obligation to ensure that proper benefit payments continue to be made in a timely manner.

It is important that each self-insured employer and insurance carrier review its own situation to determine if there is a problem. If so, what is the extent of it? What is being done about it? Are there adequate institutional resources for fixing the problem? Are contingency plans being developed to ensure continuity of service in the event of system failure?

If you have already started working on the problem, you should maintain it as your highest priority. If you haven't begun to work on it yet, you need to start. Maintaining the continuity of service to injured workers or their survivors is an absolute necessity.

Helpful Information on the Year 2000 Problem. Some of the best information on the year 2000 problem is available on the Web. The year 2000 pages of the CIO Council Committee on Year 2000 (www.itpolicy.gsa.gov/mks/yr2000/y2khome.htm) and the Small Business Administration (www.sba.gov/y2k) are two excellent sources of information about the problem.



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