



File Number:

SEP 17 1999

Notice No. 90

**NOTICE TO INSURANCE CARRIERS AND SELF-INSURED EMPLOYERS UNDER
THE LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT**

SUBJECT: Y2K Contingency Plan

The Longshore & Harbor Workers' Compensation Division has developed a detailed Business Continuity and Contingency Plan to assure that stakeholder services are minimally affected – if at all - by Y2K system compliance problems. The plan calls for certifying that our automated systems are Y2K compliant, testing for risk of failure, and devising contingency back-up plans in case any of our systems, or related systems, fail. Our systems have been certified to be Y2K compliant, rated as a low risk of failure, and we have almost completed the testing phase of the plan.

This notice is to inform you about the back-up contingencies, to solicit your suggestions for improving our plan, to offer our assistance with your own Y2K compliance plans for your benefit delivery systems, and to request a statement about your company's Y2K preparedness.

We have identified five critical functions of our office that may be impacted by a Y2K system failure. These are:

- Paying benefits
- Collecting assessments
- Resolving disputes
- Monitoring reporting compliance
- Monitoring insurance

Our back-up plans for each of these critical functions rely on the paper documents submitted to the District Office regarding claims, and to the National Office regarding insurance.

Paying Benefits

The final benefit period of 1999 falls in the last week of the year, so we will prepare that benefit payment run during that week and will send it to the Treasury Department before the end of the year. We have also developed an alternative to the present process of Special Fund payments, and this back-up has been tested and found to work properly. Should we encounter any system problems, future benefit periods will be processed by taking the

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records from the back-up tape, adding new claims from paperwork submitted by the District Offices, and submitting the refreshed tape to the Treasury Department. We are able to operate in this "back-up mode" until any Y2K system problems are corrected.

Collecting Assessments

Assessments to the Special Fund are made in January and in July each year. The January 2000 assessment will be calculated in late December, 1999 and prepared for mailing during either the last week of December or the first week of January. In this way, the automated processing will be completed before January 1, and will not be repeated for another six months.

Resolving Disputes

The District Offices will continue to receive forms, requests for Informal Conferences, and other paper documentation. The Informal Conference process will continue to operate, and the data from the documents filed in the Claims Files will be entered into the automated Longshore Case Management System following the resolution of any Y2K problems with that system. The paperwork will serve as the back-up to the system.

Monitoring Reporting Compliance

As in the dispute resolution process, the District Offices will rely on the submission of the standard reporting forms to monitor stakeholders' compliance. The entry of the data from these documents into the automated system will be delayed until any Y2K problems in the Longshore Case Management System are resolved. Here, too, the documents serve to back up the automated system.

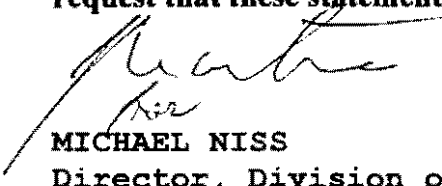
Monitoring Insurance

The National Office is responsible for monitoring the securities deposited by insurers and self-insured employers. This responsibility is critical during a time of potential system disruption. We have tested our systems by hiring outside vendors to certify Y2K compliance and our systems have received a low risk rating for any Y2K failures. To back up our system of monitoring and maintaining the securities, we will make tape copies of the securities data in the system, and maintain those back-up files in a secure location away from the system. We will be able to immediately restore the information from these back-up files should there be any data deterioration.

The Longshore & Harbor Workers' Compensation Program is responsible for regulating the timely delivery of benefits to injured workers. The potential for Y2K problems in automated benefit delivery systems threatens this. To ensure that Longshore and Harbor Workers' Compensation Program insurers and self-insured employers are preparing to protect the benefit delivery processes within their organizations, we are requesting that you submit a statement about your organization's Y2K compliance readiness. The attached sheet contains a number of descriptive statements about your Y2K preparedness. Please check the appropriate statement(s) indicating to us the status of your automated systems and whether you have contingency plans in place to deliver benefits and to submit reports in compliance with the statute. This statement must be signed by a corporate officer, and must include the name and telephone number of your Y2K program director.

Contact

We will be pleased to discuss our Business Continuity and Contingency Plan with you in more detail, and to provide assistance to your company's plan development. Please call John Curley, Branch Chief, at (202) 693-0843 for additional information, to offer suggestions about our plan, or to seek our assistance with your Y2K initiatives. You should submit your Y2K compliance statement to Mr. Curley at our business address above. We request that these statements be submitted to us not later than September 30, 1999.



for
MICHAEL NISS
Director, Division of
Longshore and Harbor
Workers' Compensation

Attachment

**U.S. Department of Labor
Division of Longshore and Harbor Workers' Compensation**

One responsibility of the Longshore Division is the regulation of the delivery of workers' compensation benefits to injured workers covered by the Longshore and Harbor Workers' Compensation Act and its extensions. To ensure that insurers and self-insured employers are prepared to protect their claimant benefit payment systems from Y2K risk, we are asking that you submit the following information about your preparedness for the January 1, 2000 date problem.

Please check the appropriate line(s), have the form signed by a corporate officer, and return this statement by September 30, 1999 to:

U.S. Department of Labor
Longshore and Harbor Workers' Compensation Division
Office of Y2K Compliance
200 Constitution Ave. NW Suite C-4315
Washington, DC 20210

Thank you for your reply. Please let us know if we can provide any assistance to help your company prepare for Y2K certification.

Company name _____.

Our Y2K Compliance Officer is

Name: _____ Telephone: _____

___ Our benefit delivery system is now Y2K compliant.

___ Our benefit system is not yet Y2K compliant, but will be Y2K compliant by _____, 1999.

___ We have contingency plans in place in case our system should fail despite our Y2K compliance efforts.

___ We do not have contingency plans in place, but will by _____, 1999.

Signed: _____ Date: _____

Printed or typed name _____ Title: _____