



Oregon

John A. Kitzhaber, MD, Governor

Department of Consumer and Business Services
Workers' Compensation Division
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www.wcd.oregon.gov

July 10, 2014

To: Workers' compensation insurers

Subject: EDI proof of coverage filing requirements: Invalid FEINs

Industry Notice

The Oregon Workers' Compensation Division (WCD) is implementing a more effective method for identifying valid employers on Oregon workers' compensation policy filings.

Oregon Administrative Rule (OAR) 436-162-0005(8) "General Definitions" states:

"FEIN" means the federal employer identification number or other federal reporting number used by the insurer, insured, or employer for federal tax reporting purposes.

OAR 436-162-0350(3) Guaranty Contract Filing Requirements and 436-162-0355(2) "Proof of Coverage Filing Requirements" state, in part, that an insurer may file a guaranty contract or proof of coverage by:

Transmitting an electronic record of the proof of coverage data elements identified as mandatory or required conditional under OAR 436-162-0310, including a unique FEIN for each legally distinct employer included in the establishing document transaction.

OAR 436-162-310(3) states: "Transactions will be rejected if mandatory or required conditional data elements are omitted or submitted in a format that is not capable of being processed by the division's information processing system designated for proof of coverage transactions." A valid FEIN is a required element.

Effective **Oct. 1, 2014**, WCD will no longer accept EDI transactions that report a "FEIN" the division does not identify as a valid federal employer identification number. The insurer must resubmit its policy transactions after correcting the FEIN or contact WCD with documentation that shows the reported FEIN is valid.

~Continued~



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On previously accepted filings, the insurer must correct the FEIN using EDI transaction codes under the Oregon-accepted format, currently IAIABC Proof of Coverage Release 2.1:

Correct Insured FEIN	04 33 76 / 05 32 76
Correct Employer FEIN with location	04 32 77 / 05 32 77
Correct Employer FEIN without location	04 32 96 / 05 32 96

To see a listing of valid FEIN prefixes, see <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/How-EINs-are-Assigned-and-Valid-EIN-Prefixes>

Reporting invalid FEINs will delay the division's processing of proof of coverage filings and may subject the insurer to penalties for not timely reporting proof of coverage filings.

If an insurer documents that the FEIN is a valid, federally-issued number, the insurer must resubmit the rejected policy transactions after the division updates the FEIN information. If a FEIN is determined to be a valid FEIN and the FEIN on the rejected transaction is the only reason causing the insurer to receive a penalty the penalty will be waived.

If you have questions about this notice, contact Employer Compliance Manager Linda Repp at 503-947-7665 or email linda.e.repp@state.or.us or Senior Data Integrity Specialist Kori Kountz at 503-947-7412 or email kori.k.kountz@state.or.us.

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