



**Electronic Data Interchange;
Proof of Coverage
Oregon Administrative Rules
Chapter 436, Division 162**

Effective April 1, 2015

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NOTE: Revisions are marked as follows:

Deleted text has a “strike-through” style, as in

~~Deleted~~

Added text is underlined, as in

Added

HISTORY LINES: These rules include only the most recent “History” lines. The history line shows when the rule was last revised (or “filed” if the rule has never been revised) and its effective date. To obtain a comprehensive history for OAR chapter 436, please call the Workers’ Compensation Division, (503) 947-7717, or visit the division’s website: http://wcd.oregon.gov/laws/Documents/Rule_history/436_history.pdf.

**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
ELECTRONIC DATA INTERCHANGE; PROOF OF COVERAGE**

**OREGON ADMINISTRATIVE RULES
CHAPTER 436, DIVISION 162**

436-162-0001 Authority, ~~Applicability, Administration, and Purpose of for these~~ Rules

(1) These rules are promulgated under the director's authority contained in ORS 656.726(4).

(2)(a) These rules apply to workers' compensation proof of coverage transactions filed with the director by electronic data interchange (EDI) on or after April 1, 2015.

(b) For coverage effective before July 1, 2009, the insurer must contact the director if the insurer is unable to file proof of coverage by EDI.

(3) The director's purpose is to require workers' compensation proof of coverage reporting by EDI.

(4) The director may waive procedural rules as justice requires, unless otherwise obligated by statute.

(5) Orders issued by the division in carrying out the director's authority to enforce ORS chapter 656 are considered orders of the director.

Stat. Authority: ORS ~~ch. 84~~, 656.264, 656.419, 656.423, 656.427, and 656.726(4)
Stat. Implemented: ORS ~~ch. 84~~, 656.017, 656.407, 656.419, 656.423, and 656.427
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Amended 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0002 Purpose

~~The director's purpose is to require workers' compensation proof of coverage reporting via electronic data interchange.~~

Stat. Authority: ORS 656.264 and 656.726(4)
Stat. Implemented: ORS 656.017, 656.407, 656.419, 656.423, and 656.427
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Repealed 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0003 Applicability of Rules

~~(1) These rules apply to workers' compensation related transactions filed with the director via electronic data interchange on or after the effective date of these rules.~~

~~(2) The director may waive procedural rules as justice requires, unless otherwise obligated by statute.~~

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 656.726(4)
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Repealed 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0004 Adoption of Standards

(1) The director adopts, by reference, *IAIABC EDI Implementation Guide for Proof of Coverage*, Release 2.1, dated July 1, 2010, ~~including the definition of standards and procedures, unless otherwise provided in these rules. Copies of the guide are available from the IAIABC website: <http://www.iaiabce.org/i4a/pages/index.cfm?pageid=3339>.~~

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(2) The form, format, and delivery of data elements reported and definitions will conform to these standards, unless otherwise provided in these rules.

(3) A copy of the Release 2.1 guide is available for review during regular business hours at the Workers' Compensation Division, Operations Section, 350 Winter Street NE, Salem OR 97301, 503-947-7742. IAIABC members may view a copy of the Release 2.1 guide, or non-members may purchase a copy, at the IAIABC website: <http://www.iaiacb.org>.

Stat. Authority: ORS 656.264, ~~656.419, 656.423, 656.427, 656.726(4)~~
Stat. Implemented: ORS 656.017, 656.407, 656.419, 656.423, ~~and 656.427~~
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Amended 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0005 **General Definitions**

For the purpose of these rules, ~~unless it conflicts with statute or rule:~~

~~(1) "ANSI" means the American National Standards Institute.~~

~~(2) "Conditional data element" means an element that becomes mandatory under certain conditions. Once mandatory, a conditional data element will cause a rejection of the transaction if the data element is omitted or submitted in a format not capable of being processed by the division's information processing system.~~

~~(3) "Director" means the Director of the Department of Consumer and Business Services or the director's designee for the matter.~~

~~(4)~~ **(2) "Division"** means the Workers' Compensation Division of the Department of Consumer and Business Services.

~~(5)~~ **(3) "Electronic Data Interchange" or "EDI"** means a computer to computer exchange of information in a standardized electronic format.

~~(6)~~ **(4) "Electronic Record"** means information created, generated, sent, communicated, received, or stored by electronic means.

~~(7)~~ **(5) "Establishing document"** means an EDI transaction that reports coverage for one or more entities. Establishing document types ~~may include~~ are coverage notice/binders, new policies, rewrite/reissue transactions, renewals, reinstatements, add jurisdiction endorsements, or add employer/location endorsements.

~~(6)~~ **(6) "Exclude (X)"** means the data element must not be sent or cannot be sent.

~~(7)~~ **(7) "Expected (E)"** means the data element is expected on the transaction, but the transaction will be accepted with errors should it fail any edit.

~~(8)~~ **(8) "Fatal Technical (F)"** means the data element must be sent.

~~(9)~~ **(9) "Fatal Technical/Conditional (FT)"** means the data element must be sent when certain conditions are present.

~~(10)~~ **(10) "FEIN"** means the federal employer identification number or other federal reporting number used by the Internal Revenue Service (IRS) to identify a business entity and by the insurer, insured, or employer for federal tax reporting purposes.

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~~(9)~~**(11) "Header record"** means the record that precedes each transmission for the purpose of identifying a sender, the date and time of the transmission, and the transaction set within the transmission.

~~(10)~~**(12) "IAIABC"** means the International Association of Industrial Accident Boards and Commissions, a professional trade association ~~comprised~~ consisting of state workers' compensation regulators and insurance and corporate agency representatives (www.iaabc.org).

(13) "If Applicable/Available with Item Accept if Invalid (IA)" means the data may or may not be populated. If present, may be edited for valid value or format. The division may or may not return an error on validity edits.

~~(11) "Information"~~ means data, text, images, sounds, codes, computer programs, software, databases, or the like.

~~(12)~~**(14) "Industry code"** means the code ~~which that~~ indicates the nature of the employer's business as published in the , which is contained in the Standard Industrial Classification (SIC) manual published by the Federal Office of Management and Budget, or in the North American Industrial Classification System (NAICS) published by the U.S. Census Bureau manual, available in print and on CD-ROM from the National Technical Information Service (NTIS) <http://www.ntis.gov/products/naics.aspx>. NAICS codes may also be viewed at the U.S. Census Bureau webpage (<http://www.census.gov/eos/www/naics/>).

~~(15) "Information"~~ means data, text, images, sounds, codes, computer programs, software, databases, or the like.

~~(13)~~**(16) "Insurer"** means the State Accident Insurance Fund Corporation; or an insurer authorized under ORS chapter 731 to transact workers' compensation insurance in Oregon; ~~or a self-insured employer.~~

~~(14)~~**(17) "Mandatory data element (M)"** means ~~an the data element must be sent. If the data element is omitted or submitted in a format the division is unable to process, the transaction will be rejected that will cause a rejection of a transaction if the data element is omitted or submitted in a format not capable of being processed by the division's information processing system.~~

(18) "Mandatory/Conditional (MC)" means the data element must be sent when certain conditions are present.

(19) "Not Applicable (NA)" means the data element is not required to be sent, but it may be sent. If it is sent, edits may be applied, but unsuccessful edits will not cause the transaction to be rejected.

~~(15) "Optional data element"~~ means ~~an element that an insurer should report to the director if the information is available to the insurer. Optional data elements will not cause a rejection if missing or invalid.~~

~~(16)~~**(20) "Proof of coverage"** means an electronic record or set of records identifying an insurer as providing workers' compensation coverage for a specific employer.

~~(17)~~**(21) "Record"** means electronic record.

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(22) "Restricted (R)" means the data element value will not be accepted if a stated condition exists.

~~(18) "Reprocessed transaction" means a rejected transaction that, at the discretion of the director, has been reprocessed and accepted by the division.~~

~~(19)(23) "Sender" means the vendor or insurer authorized to send EDI person or entity reporting electronic data interchange transactions to the division. Sender may include vendors or insurers.~~

~~(20) "Trading partner agreement" means the agreement entered into under OAR 436-162-0020 between the director and an insurer to conduct transactions via EDI.~~

~~(21)(24) "Trailer record" means the record that designates the end of a transmission and provides a count of transactions contained within the transmission, not including the header and trailer records.~~

~~(22)(25) "Transaction" means a set of EDI records, defined according to standards in OAR 436-162-0004(1).~~

(26) "Transaction reason code" means the two-digit code identifying the type of transaction and why it was sent (e.g., 54, adding an employer location).

(27) "Transaction set purpose code" means the code identifying whether the transaction is an original, change, or replacement transaction (e.g., 00, original).

(28) "Transaction set type code" means the code identifying the purpose of individual records within the transaction (e.g., 42, canceled by insured).

~~(23)(29) "Transmission" means a defined set of transactions, including both header and trailer records to be sent to the division or sender via by EDI.~~

(30) "Triplicate code" means the series of three two-digit codes that define the specific purpose of individual records in a proof of coverage transmission in this order: transaction set purpose code, transaction set type code, and transaction reason code.

~~(24)(31) "Vendor" means an agent identified by the an insurer to submit transmissions to the division on behalf of an the insurer. Vendors may include service companies, third party administrators, and managing general agents.~~

Stat. Authority: ORS 656.264, ~~and~~ 656.726(4)
Stat. Implemented: ORS ~~84.004 and~~ 656.264~~19~~, 656.423, 656.427
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Amended 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0006 Administration of Rules

~~Orders issued by the division in carrying out the director's authority to enforce ORS chapter 656 are considered orders of the director.~~

Stat. Authority: ORS 656.704 and ORS 656.726(4)
Stat. Implemented: ORS 656.704 and ORS 656.726(4)
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

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436-162-0010 Security

~~(1) The sender must verify that an electronic signature, record, or performance is that of a specific person.~~

~~(2) The sender must utilize anti-virus software to eliminate any viruses on all electronic transmissions. The sender must maintain the anti-virus software with the most recent anti-virus update files from the software provider. The sender must notify the director immediately if a virus is detected.~~

Stat. Authority: ORS 656.264 and 656.726(4)
Stat. Implemented: ORS 656.264
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0020 Trading Partner Agreement

~~(1) If the director so requires, an insurer must enter into a trading partner agreement with the director before the division will begin testing with or accept production electronic transmissions from the insurer or from a vendor on behalf of that insurer.~~

~~(2) The trading partner agreement will include:~~

~~(a) A statement that the insurer will remain responsible and liable for all electronic records transmitted to the director;~~

~~(b) Transmission protocol between sender and director;~~

~~(c) A specific description of the form, format, and delivery of electronic transmissions under OAR 436-162-0004 and 436-162-0050;~~

~~(d) Specific identifying information for insurer, third party administrator, if any, and vendor, if any;~~

~~(e) Cost allocation of transactions, if any;~~

~~(f) The time frame for the director to submit acknowledgements of transmissions; and~~

~~(g) Any other necessary statements, conditions, or requirements to facilitate EDI.~~

Stat. Authority: ORS 656.264 and 656.726(4)
Stat. Implemented: ORS 84.013 and 656.264
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0030 Retention of Electronic Records

Insurers and self-insured employers must retain workers' compensation records under OAR 436-050-0120 and OAR 436-050-0220. Records may be retained in electronic format if the records can be reproduced.

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 656.455 and 731.475
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11

436-162-0035 General Filing Information

(1) Senders must follow United States Postal Service guidelines for reporting all addresses.

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(2) Transactions will be rejected if Mandatory or Mandatory/Conditional data elements are omitted or submitted in a form or format the division is unable to process.

(3) Not Applicable data element(s) in a transaction will be ignored if the data element is either omitted or submitted in a form or format the division is unable to process.

(4) Worker leasing company (also known in other jurisdictions as professional employer organization) policies will be accepted by EDI, subject to the same data and transaction editing standards as other policies. A policy filing for a worker leasing company does not eliminate the worker leasing company's requirement to file worker leasing notices under OAR 436-180-0110.

(5) Wrap-up policies will be accepted by EDI, subject to the same data and transaction editing standards as other policies. Wrap-up projects and any change of insurer mid-project must be approved by the Oregon Insurance Division.

Stat. Authority: ORS 656.264, 656.419, 656.423, 656.427, 656.726(4)

Stat. Implemented: ORS 656.419, 656.423, 656.427

Hist: Adopted 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0038 Acknowledgement

(1) The division will respond to submitted transmissions by providing either a Transaction Accepted (TA) or a Transaction Rejected (TR) acknowledgement.

(2) Transaction rejected acknowledgements will be generated for transactions with errors, including but not limited to:

(a) An omitted Mandatory data element;

(b) An improperly populated data element field, e.g., numeric data element field is populated with alpha or alphanumeric data, or is not a valid value;

(c) Transactions or electronic records within the transaction that require matching and cannot be matched to the division's database;

(d) Illogical data in a Mandatory or Mandatory/Conditional field, e.g., policy expiration date is before policy effective date;

(e) Duplicate transmission or duplicate transaction within the transmission;

(f) Invalid triplicate code; or

(g) Illogical event sequence relationship between transactions, e.g., endorsement transaction submitted before a policy transaction is submitted.

(3) The insurer must correct and resubmit any transactions rejected for which a law or rule requires reporting to the director.

(4) Transactions that are not rejected under section (2) of this rule will result in a Transaction Accepted acknowledgement.

(5) An insurer's obligation to file proof of coverage for the purposes of this rule is not satisfied unless the director acknowledges acceptance of the transaction.

Stat. Authority: ORS 656.264, 656.419, 656.423, 656.427, 656.726(4)

Stat. Implemented: ORS 656.264, 656.419, 656.423, 656.427

Hist: Amended and renumbered from 436-162-0320 11/13/14 as Admin. Order14-061, eff. 4/1/15

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436-162-0040 Recognized Filing Date

~~(1) An electronic record is considered filed on the date it is delivered to the director only if the division issues a Transaction Accepted acknowledgment.~~

~~(2) Rejected transactions are not considered filed and do not satisfy proof of coverage requirements until they are corrected, resubmitted, and accepted by the division.~~

~~(1) Unless otherwise stated in the trading partner agreement, an electronic record is sent when it:~~

~~(a) Is addressed or directed properly to an information processing system designated or used by the division to receive electronic records or information;~~

~~(b) Is in a form and format capable of being processed by that system; and~~

~~(c) Enters an information processing system outside the control of the sender or enters a region of the information processing system designated or used by the division and that is under control of the division.~~

~~(2) Unless otherwise stated in the trading partner agreement an electronic record is received when it:~~

~~(a) Enters an information processing system designated or used by the division to receive electronic records or information of the type sent and from which the division is able to retrieve the electronic record; and~~

~~(b) Is in a form and format capable of being processed by the division's information processing system.~~

~~(3) For the purpose of these rules, an electronic transaction is capable of being processed by the division's information processing system when all the required data elements are in the form and format specified in these rules, in the proper sequence, and in accordance with the terms of the trading partner agreement.~~

~~(4) A reprocessed transaction retains the filing date of the original transaction.~~

Stat. Authority: ORS 656.264 and 656.726(4)

Stat. Implemented: ORS ~~84.043 and 264, 656.419, 656.423, 656.427~~

Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Amended 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0050 Form, Format, and Delivery for Electronic Data Reporting

~~The form, format, and delivery of data elements and definitions will conform to the standards specified in OAR 436-162-0004, or as otherwise identified in the trading partner agreement.~~

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 84.013 and 656.264

Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0060 Testing Procedures and Requirements

~~Proof of coverage testing:~~

~~(1) The director adopts the Oregon EDI Implementation Guide for Proof of Coverage as~~

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~~the standard for EDI testing procedures and requirements, available from the division's website: <http://www.ebs.state.or.us/wcd/operations/edi/ediindex.html#bill>.~~

~~(2) Senders conducting EDI transactions as of Jan. 1, 2009, do not have to complete EDI testing. Insurers using an approved EDI vendor to submit proof of coverage data to the department do not have to complete testing as provided by this rule.~~

~~(3) Senders must obtain director approval to submit proof of coverage data via EDI transactions. Each sender must successfully complete the Secure File Transfer Protocol (SFTP) test and the format and structure test(s) detailed in the Oregon EDI Implementation Guide for Proof of Coverage to demonstrate ability to successfully transmit coverage data in the format specified in OAR 436-162-0004. The director will notify senders once they have successfully completed testing. Insurers must either use an approved sender or be approved as a sender to report proof of coverage via EDI. If an insurer is not an approved sender, it must report through an approved sender until approved by the director for direct reporting of proof of coverage via EDI.~~

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 84.013 and 656.264
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
[Amended and renumbered to 436-162-0335 11/13/14 as Admin. Order14-061, eff. 4/1/15](#)

436-162-0070 Electronic signature

~~The sender's federal employer identification number (FEIN) plus its postal code as reported in the header record and stated in the trading partner agreement, if such an agreement is required, is the unique identifier that is the electronic signature for electronic data interchange.~~

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 84.001-84.061 and 656.264
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
[Repealed 11/13/14 as Admin. Order14-061, eff. 4/1/15](#)

436-162-0090 Address Reporting

~~The sender will follow the standard United States Postal Service guidelines in reporting all addresses.~~

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 656.264
Hist: Adopted 10/1/10 as Admin. Order 10-058, eff. 1/1/11
[Repealed 11/13/14 as Admin. Order14-061, eff. 4/1/15](#)

436-162-0300 Establishing Document Transaction

~~For policies effective before July 1, 2009, the establishing document transaction types listed in OAR 436-162-0350(3)(c) can be used to file a guaranty contract under that rule. For policies effective on or after July 1, 2009, the establishing document transaction types listed in OAR 436-162-0355(2)(b) can be used to file proof of coverage. In Oregon, a reinstatement, an add location, and an add employer transaction type can also be an establishing document. A change policy number transaction type is not an establishing document.~~

Stat. Authority: ORS 656.726(4)
Stat. Implemented: ORS 656.419, 656.423 and 656.427
Hist: Amended and renumbered from 436-160-0300 10/1/10 as Admin. Order 10-058, eff. 1/1/11
[Repealed 11/13/14 as Admin. Order14-061, eff. 4/1/15](#)

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436-162-0310 Electronic Filing Requirements

~~(1) The chart in Appendix "A" shows all proof of coverage data elements accepted via EDI in Oregon, and whether the data element is mandatory (M), conditional (C), or optional (O) for each transaction type.~~

(1) Unless otherwise provided in these rules, insurers must transmit proof of coverage by EDI, and either use an approved vendor, or be approved as a sender.

(2) Unless otherwise provided in these rules, the data elements ~~shall~~ have the meaning provided in the data dictionary of the *IAIABC EDI Implementation Guide for Proof of Coverage*, Release 2.1, dated July 1, 2010, referenced in OAR 436-162-0004(1).

(3) Data elements are listed in Appendices A and B:

(a) Appendix A shows all proof of coverage data elements accepted by EDI in Oregon, and whether the data element is Exclude (X), Expected (E), Fatal Technical (F), Fatal Technical/Conditional (FT), Mandatory (M), Mandatory/Conditional (MC), Not Applicable (NA), or Restricted (R), for each transaction type.

(b) Appendix B lists Mandatory/Conditional data elements and the applicable conditions that make the data element mandatory.

(4) Filing due dates are listed in Appendix C, the Event Table.

(5) An insurer may file proof of coverage EDI by:

(a) Transmitting an electronic record of the proof of coverage data elements identified as Mandatory or Mandatory/Conditional, including a correct FEIN, as defined in OAR 436-162-0005(10), for each legally distinct employer included in the establishing document transaction; and

(b) Transmitting an establishing document transaction, coverage notice/binder, new/renew policy, rewrite/reissue policy, reinstatement, add location, add employer, or add jurisdiction.

(6) If an employer elects to include any nonsubject worker(s) for coverage, or subsequently to exclude such workers from coverage, the insurer must submit a transaction with a reason code for including or excluding a corporate officer, partner, member, sole proprietor, or any other nonsubject worker as described in ORS 656.027.

(7) Insurers may not:

(a) Submit placeholder or invalid FEINs; or

(b) Submit paper documents to the director without the director's express permission.

~~(3) 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.~~

~~(4) Optional data element(s) in a transaction will be ignored if the optional data element is either 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.~~

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~~(5) Unless otherwise provided in these rules, an insurer must transmit proof of coverage via EDI. Insurers may not submit paper documents to the director without the director's express permission or as provided in OAR 436-162-0350(7).~~

~~(6) Changes or corrections to proof of coverage transactions must be filed within 30 days of insurer knowledge of the change to a required data field.~~

~~(7) Professional employee organization (PEO) policies will be accepted via EDI, subject to the same data and transaction editing standards as other policies. A policy filing for a PEO does not eliminate the PEO's requirement to file worker leasing notices under OAR 436-050-0410.~~

~~(8) Wrap-up policies will be accepted via EDI, subject to the same data and transaction editing standards as other policies.~~

Stat. Authority: ORS [656.264](#), [656.419](#), [656.423](#), [656.427](#), [656.726](#)(4)

Stat. Implemented: ORS [656.264419](#), [656.423](#), [656.427](#)

Hist: Amended and renumbered from 436-160-0310 10/1/10 as Admin. Order 10-058, eff. 1/1/11

[Amended 11/13/14 as Admin. Order 14-061, eff. 4/1/15](#)

436-162-0320 Acknowledgement

~~(1) The division will respond to submitted transmissions with either a transaction accepted or a transaction rejected acknowledgement. The division may, at its discretion, reprocess transactions.~~

~~(2) A transaction rejected acknowledgement will be sent for all transactions incapable of being processed by the division's information processing system, including, but not limited to:~~

~~(a) An omitted mandatory data element;~~

~~(b) An improperly populated data element field, e.g., numeric data element field is populated with alpha or alphanumeric data, or is not a valid value;~~

~~(c) Transactions or electronic records within the transaction which require matching and cannot be matched to the division's database;~~

~~(d) Illogical data in mandatory or required conditional field, e.g., termination date is before coverage effective date;~~

~~(e) Duplicate transmission or duplicate transaction within the transmission;~~

~~(f) Invalid triplicate code; or~~

~~(g) Illogical event sequence relationship between transactions, e.g., endorsement transaction submitted before a policy transaction is submitted.~~

~~(3) The insurer must correct and resubmit any transactions rejected for which law or rule require filing, reporting, or notice to the director.~~

~~(4) Insurers are not required to resubmit reprocessed transactions.~~

~~(5) A transaction accepted acknowledgement will be sent for all transactions that are in a format capable of being processed by the division's information processing system and are not rejected pursuant to section (2) of this rule.~~

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~~(6) An insurer's obligation to file proof of coverage for the purposes of this rule is not satisfied unless the director acknowledges acceptance of the transaction.~~

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264

Hist: Amended and renumbered from 436-160-0320 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Amended and renumbered to 436-162-0038 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0330 Effective Dates

~~(1) For policies with effective dates before July 1, 2009:~~

~~(a) For all binder or new policy establishing document transactions submitted under OAR 436-162-0350, the coverage effective date will also be the guaranty contract effective date.~~

~~(b) For all other establishing document transactions that meet the guaranty contract filing requirements of OAR 436-162-0350, the transaction set type effective date will also be the guaranty contract effective date.~~

~~(c) The policy expiration date submitted on a transaction does not terminate liability under a guaranty contract. Liability under a guaranty contract filed by an insurer continues until it is terminated under OAR 436-162-0360 and ORS 656.423 or 656.427.~~

~~(2) For policies with effective dates on or after July 1, 2009:~~

~~(a) For binder or new policy establishing document transactions, the policy effective date will also be the effective date of the proof of coverage for the reported entity.~~

~~(b) For all other establishing document transactions, the transaction set type effective date will also be the effective date of the proof of coverage for the reported entity.~~

~~(3) For reinstatement transactions the transaction set type date will determine whether the transaction reinstates the guaranty contract or reinstates proof of coverage shown by the reinstated policy. Transaction effective dates before July 1, 2009, will reinstate the guaranty contract, which will remain in effect until renewed, replaced by new coverage, or terminated by the insurer. Transaction effective dates on or after July 1, 2009, will reinstate the director's required proof of coverage through the reinstated policy, which will remain in effect until the policy expiration date or the date of cancellation, whichever is earlier.~~

~~(4) For all other transactions, the effective date will be the transaction set type effective date.~~

~~(5) For reissue, renewal, reinstatement, or endorsement transactions, the transaction effective date will be the transaction set type effective date submitted by the insurer.~~

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264, 656.419, 656.423 and 656.427

Hist: Amended and renumbered from 436-160-0330 10/1/10 as Admin. Order 0-058, eff. 1/1/11

Repealed 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0335 Testing Procedures and Transaction Accuracy Standards

(1) An insurer that wants to self report proof of coverage must report through an approved vendor until the insurer completes all of the testing requirements in this rule and receives approval from the director to self report.

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(2) To obtain approval, each sender must successfully complete the Secure File Transfer Protocol (SFTP) test, demonstrate ability to successfully transmit coverage data in the format specified in OAR 436-162-0004(1), achieve ninety percent reporting accuracy, and retrieve and process automated EDI acknowledgements.

(3) To begin the testing process for proof of coverage EDI, the sender must:

(a) Contact the division's EDI coordinator. Contact information is on the division's webpage: <http://wcd.oregon.gov/insurer/edi/Pages/proof-of-coverage.aspx>; and

(b) Complete and submit the proof of coverage EDI transmission profile (Form 440-4979), available from: <http://wcd.oregon.gov/insurer/edi/Pages/proof-of-coverage.aspx>.

(4) A successful EDI test is determined by the following:

(a) The resolution of any consistently recurring Fatal Technical errors identified by the division;

(b) Transmissions are sent to the division without errors in the header or trailer record;

(c) Transmissions are sent to the division without transaction level technical errors; and

(d) The sender is able to retrieve and process the automated EDI acknowledgement transactions.

(5) To move from testing to production:

(a) The sender must submit a minimum of three transmissions containing at least three records for each Oregon valid triplicate code included in Appendix A.

(b) Data transmitted during the proof of coverage EDI test must represent actual proof of coverage data, which will be discarded after the test.

(c) The division will provide the sender with an acknowledgement file to account for the processing outcome of each transaction, i.e., accepted or rejected. The sender should reconcile or correct identified data errors in their source data system as necessary.

(d) Ninety percent of transactions submitted during the testing phase must be accepted by the division. Additional proof of coverage EDI test transmission(s) may be required until a ninety percent accuracy rate is achieved.

(6) The director will notify senders once they have successfully completed testing.

(7) Once approved, the sender must maintain the accuracy as defined in sections (4) and (5)(d) of this rule. Failure to meet technical requirements may result in the revocation of EDI transmission approval.

(8) The division will inform the sender and insurer (if different) if accuracy standards for technical requirements fall below standards prescribed in sections (2) and (5)(d) of this rule.

Stat. Authority: ORS [656.264](#), [656.419](#), [656.423](#), [656.427](#), [656.726\(4\)](#)

Stat. Implemented: ORS [84.013](#) and [656.264](#), [656.419](#), [656.423](#), [656.427](#)

Hist: Amended and renumbered from [436-162-0060](#) 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0340 Changes or Corrections

(1) Changes or corrections to proof of coverage information must be submitted pursuant ~~under~~ the standards referenced in OAR 436-162-0004(1).

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(2) To report changes or corrections of an insured employer's name or address, or other data elements, the insurer must transmit the appropriate transaction to specify what data is being changed or corrected.

(3) The insurer's policy number is used to assist in matching each transaction to the appropriate employer. When an insurer changes a policy number, the insurer must report that change ~~with or~~ prior to the next transaction submitted for that policy. Failure to report a change in the policy number will ~~render prevent~~ future filings ~~incapable of from~~ being processed by the division's information processing system and the insurer will receive a ~~T~~ransaction ~~R~~ejected acknowledgement.

~~(4) If changing a partner name of an insured or employer does not change the entity, a new guaranty contract or policy proof of coverage does not need to be filed.~~

~~(5) To add or delete coverage for corporate officers, members of a limited liability company, partners, sole proprietors, or other non-subject workers, the insurer must file the appropriate "include" or "exclude" endorsement transaction to the associated policy filing.~~

Stat. Authority: ORS 656.~~264, 656.419, 656.423, 656.427, 656.726~~(4)

Stat. Implemented: ORS 656.~~264 and 656.419, 656.423, 656.427~~

Hist: Amended and renumbered from 436-160-0340 10/1/10 as Admin. Order 0-058, eff. 1/1/11

~~Amended 11/13/14 as Admin. Order 14-061, eff. 4/1/15~~

436-162-0350 Guaranty Contract Filing Requirements

~~(1) This rule applies to coverage effective before July 1, 2009.~~

~~(2) For the purpose of these rules, an electronic guaranty contract consists of an executed trading partner agreement containing the guaranty described in subsection (3)(a) of this rule, and an accepted proof of coverage insured and employer electronic record.~~

~~(3) An insurer may file a guaranty contract via EDI by:~~

~~(a) Entering into a trading partner agreement with the director under OAR 436-162-0020 that contains a statement of assumption of liability and guaranty of payment under ORS 656.419(1);~~

~~(b) 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; and~~

~~(c) Transmitting an establishing document transaction: binder, new policy, renew policy, rewrite/reissue policy, reinstatement, add location, add employer, or add jurisdiction. A renew policy, add location, or add employer transaction will only establish a guaranty contract if the data elements have not previously been transmitted, the employer FEIN is not a duplicate per section (4) below, and coverage for that unique employer FEIN has not been previously established by the reporting carrier. A reinstatement transaction will only establish a new guaranty contract if there is a lapse in coverage and the requirements of ORS 656.419 and OAR 436-162-0350 are otherwise met.~~

~~(4) A duplicate FEIN or a FEIN previously reported under the same policy will be recorded as an additional employer location or an assumed business name, but will not establish an additional guaranty contract for effective dates of coverage before July 1, 2009.~~

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~~(5) Reinstatement, rewrite, and reissue transaction types must follow a cancellation transaction.~~

~~(6) If an employer elects to include any non-subject worker(s) under coverage, or subsequently to exclude such workers from coverage, the insurer must submit a transaction with a reason code for including or excluding a corporate officer, partner, member, sole proprietor, or any other person.~~

~~(7) Insurers not approved to file guaranty contract information via EDI by Dec. 31, 2008, must continue to file changes to existing guaranty contracts via paper on or after July 1, 2009.~~

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264, 656.419, 656.423 and 656.427

Hist: Amended and renumbered from 436-160-0350 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0355 Proof of Coverage Filing Requirements

~~(1) This rule applies to coverage effective on or after July 1, 2009.~~

~~(2) An insurer may file proof of coverage via EDI by:~~

~~(a) 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; and~~

~~(b) Transmitting an establishing document transaction: binder, new policy, renew policy, rewrite/reissue policy, reinstatement, add location, add employer, or add jurisdiction.~~

~~(3) Reinstatement, rewrite, and reissue transaction types must follow a cancellation transaction.~~

~~(4) If an employer elects to include any non-subject worker(s) for coverage, or subsequently to exclude such workers from coverage, the insurer must submit a transaction with a reason code for including or excluding a corporate officer, partner, member, sole proprietor, or any other person.~~

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264, 656.419, 656.423 and 656.427

Hist: Renumbered from 436-160-0355 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0360 Guaranty Contract Terminations

~~(1) For the purposes of EDI, to terminate a guaranty contract when an insurer receives written notice of cancellation of coverage from an employer pursuant to ORS 656.423, the insurer must:~~

~~(a) Provide notice to the director no more than ten calendar days after the effective date of termination by transmitting the transaction type for cancellation by insured or nonrenewal by insured. The "transaction effective date" will be used to report the effective date of termination under ORS 656.423 or ORS 656.427;~~

~~(b) Retain the employer's written notice for inspection by the division; and~~

~~(c) Provide written notice to the employer under ORS 656.423 or ORS 656.427(1) and (3), if required.~~

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~~(2) For the purposes of EDI, to terminate a guaranty contract for any other reason, the insurer must:~~

~~(a) Provide notice to the director no more than ten calendar days after the effective date of termination by transmitting the transaction type for cancellation, nonrenewal, or delete jurisdiction; and~~

~~(b) Provide written notice to the employer under ORS 656.423 or ORS 656.427(1) and (3), if required.~~

~~(3) The date of termination must be included in the written notice to the employer to terminate a guaranty contract. For the purposes of notice to the director, the transaction effective date is the termination effective date.~~

~~(4) A delete location transaction can be used to notify the director that one or more locations for an employer are no longer workplaces of the employer. This transaction does not meet the requirements of ORS 656.423 or ORS 656.427 for notice of termination.~~

Stat. Authority: ORS 656.726(4)

Stat. Implemented: ORS 656.264, 656.419, 656.423 and 656.427

Hist: Renumbered from 436-160-0360 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Repealed 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0370 Proof of Coverage Terminations

When the insurer cancels coverage ~~For policies effective on or after July 1, 2009, to report a cancellation of a policy~~ before the expiration of the policy term, the insurer must:

(1) Provide written notice to the employer under ORS 656.427(1) and (3);

(2) Retain a record of the written notice sent to the employer under ORS 656.427, and proof of mailing of that notice, for inspection by the division; and

(3) Provide notice to the director under ORS 656.427 by EDI.

~~(1) Provide notice to the director no more than ten calendar days after the effective date of cancellation by transmitting the transaction type for cancellation, delete jurisdiction, or delete location(s). The "transaction set type effective date" will be used to report the effective date of cancellation under ORS 656.423 or 656.427;~~

~~(2) Retain a record of the written notice sent to the employer under ORS 656.427 for inspection by the division; and~~

~~(3) Provide written notice to the employer under ORS 656.427(1) and (3).~~

Stat. Authority: ORS ~~656.264, 656.427,~~ 656.726(4)

Stat. Implemented: ORS ~~656.264, 656.419, 656.423 and~~ 656.427

Hist: Renumbered from 436-160-0370 10/1/10 as Admin. Order 10-058, eff. 1/1/11

Amended 11/13/14 as Admin. Order 14-061, eff. 4/1/15

436-162-0380 Cancellation of Coverage by the Employer

When the employer cancels coverage before the expiration of the policy term, the insurer must:

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(1) Retain a record of the written or verbal notice provided by the employer to the insurer under ORS 656.423, including proof of date of receipt of that notice, for inspection by the division; and

(2) Provide notice to the director under ORS 656.423 by EDI.

Stat. Authority: ORS 656.264, 656.423, 656.726(4)

Stat. Implemented: ORS 656.423

Hist: Adopted 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0400 Monitoring and Auditing Insurers

(1) The director may monitor and conduct periodic audits of proof of coverage reporting data to ensure compliance with ORS chapter 656 and these rules. If the director finds violations of the reporting requirements of these rules the director may issue civil penalties under OAR 436-162-0440 and ORS 656.745.

(a) Proof of coverage must be reported timely. "Timely" means that an insurer reports data within the time allowed by these rules, including Appendix C, the Event Table.

(b) Proof of coverage must be reported accurately. "Accurately" means that the reported coverage data accepted by the division conforms to the reporting requirements of these rules, including Appendices A, B, and C.

(2) All records maintained or required to be maintained must be disclosed upon request by the director.

Stat. Authority: ORS 656.264, 656.726(4), 656.745

Stat. Implemented: ORS 656.419, 656.423, 656.427

Hist: Adopted 11/13/14 as Admin. Order14-061, eff. 4/1/15

436-162-0440 Assessment of Civil Penalties

(1) Under ORS 656.745, the director may assess a civil penalty against an insurer that fails to comply with ORS chapter 656 or the director's rules and orders.

(2) The insurer is responsible for its own actions as well as the actions of others acting on the insurer's behalf. If an insurer or someone acting on the insurer's behalf violates any provisions of these rules, the director may impose a civil penalty against the insurer.

Stat. Authority: ORS 656.264, 656.726(4), 656.745

Stat. Implemented: ORS 656.419, 656.423, 656.427

Hist: Adopted 11/13/14 as Admin. Order14-061, eff. 4/1/15

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OAR 436-162-0310—Appendix A Proof of Coverage Data Element Requirement Table

Data element	Data Element Number	Establishing document transactions	Endorsement	Cancellation-of Nonrenewal-by Insurer	Cancellation-of Nonrenewal-by Insured	Reinstatement
INSURED RECORD						
Transaction Set ID	DN001	M	M	M	M	M
Record Sequence Number	DN107	M	M	M	M	M
Transaction Set Purpose Code	DN300	M	M	M	M	M
Jurisdiction-Designee Received Date	DN302	M	M	M	M	M
Transaction Set Type Code	DN002	M	M	M	M	M
Transaction Reason Code	DN303	M	M	M	M	M
Transaction Set Type Effective Date	DN304	M	M	M	M	M
Insurer FEIN	DN006	M	M	M	M	M
Insurer Name	DN007	M	O	O	O	O
Issuing Office Name	DN305	O	O	O	O	O
Issuing Office Address Line 1	DN306	O	O	O	O	O
Issuing Office Address Line 2	DN307	O	O	O	O	O
Issuing Office City	DN308	O	O	O	O	O
Issuing Office State	DN309	O	O	O	O	O
Issuing Office Postal Code	DN310	O	O	O	O	O
Issuing Agency Name	DN311	O	O	O	O	O
Issuing Agency City	DN312	O	O	O	O	O
Issuing Agency State	DN313	O	O	O	O	O
Insured FEIN	DN314	M	M	M	M	M
Insured Name	DN017	M	M	M	M	M
Insured Address Line 1	DN315	M	O	O	O	O
Insured Address Line 2	DN316	O	O	O	O	O
Insured City	DN317	M	O	O	O	O
Insured State	DN318	M	O	O	O	O
Insured Postal Code	DN319	M	O	O	O	O
Insured Telephone Number	DN320	O	O	O	O	O
Business Market	DN321	M	M	M	O	O
Wrap-Up Indicator	DN322	M	M	M	O	O
Insured Legal Status	DN323	M	O	O	O	O
Employee Leasing Policy Identification	DN333	M	O	O	O	O
Policy Number	DN028	M	M	M	M	M
Policy Effective Date	DN029	M	M	M	M	M
Policy Expiration Date	DN030	M	M	M	O	O
Prior Policy Number	DN324	C	O	O	O	O
Assignment Date	DN325	O	O	O	O	O
Jurisdiction	DN004	M	M	M	M	M
Governing Class	DN326	M	O	O	O	O
Total Payroll	DN327	O	O	O	O	O
Number of Employers	DN328	C	C	C	C	C
Number of Employers Expanded	DN336	C	C	C	C	C
EMPLOYER RECORD						
Transaction Set ID	DN001	M	M	M		
Record Sequence Number	DN107	M	M	M		
Employer FEIN	DN016	M	M	O		
Employer UI Code	DN329	O	O	O		
Employer Name	DN018	M	M	O		
Employer Address Line 1	DN019	M	O	O		
Employer Address Line 2	DN020	O	O	O		
Employer City	DN021	M	O	O		
Employer State	DN022	M	O	O		
Employer Postal Code	DN023	M	O	O		
Industry Code	DN025	O	O	O		
Number of Employees	DN330	O	O	O		
Employer Notification Date	DN334			M		

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[Appendix A, B, and C \(OAR 436-162-0310\)](#) [link to tables]

If the above link does not connect you to the electronic data interchange webpage, please copy and paste the following link into your browser's URL window:

<http://wcd.oregon.gov/insurer/edi/Pages/proof-of-coverage.aspx>.