



June 19, 2013

**Circular 2013-04**

**To: ICRB Members**

**House Enrolled Act 1320**

[House Enrolled Act 1320](#), (Public Law 275), the workers compensation bill, was signed by Governor Pence on May 11, 2013. In addition to the medical fee schedule provisions in the bill, there are several other provisions, all effective July 1, 2013, of interest to ICRB members which are explained below.

**\$2 Per Policy Fee**

Section 8 of the bill (page 26 in the PDF file) amends Indiana Code § 22-3-5-2. It creates a \$2 per policy fee payable to the Workers Compensation Board of Indiana (“WC Board”). The WC Board has announced a process on its [website home page](#) and created [State Form 55310](#) to collect the policy fees from carriers each July. The first assessment is due by July 31, 2013 and will be based on each carrier’s 2012 calendar year policy count.

The policy count number should include any policy for which Indiana was listed in item 3.A of the policy (which generates Indiana payroll and premium). Here’s a more detailed definition or criteria:

Indiana Calendar Year Policy Count should include:

- Any policy (new, renewal, or annual rerate) (single state or multistate)
- Indiana listed in item 3.A of the policy
- Policy effective date of policy falls within calendar year
- Exposure and premium generated in Indiana (earned exposure/developed premium)
- Exclude policies cancelled flat
- Exclude multistate policies where Indiana is deleted (removed from item 3.A)
- Exclude policies where Indiana was written on “if any” basis and no exposure/premium developed

The ICRB will account for the overall system cost of the \$2 per policy fee assessment in our expense provision analysis in each annual advisory rate filing. The advisory rate filing already contemplates a provision for 0.3% miscellaneous taxes and fees and the \$2 per policy fee will be included under that category. This approach eliminates the need (and systems change costs) for carriers to add a line item on each policy to collect the \$2 from each policyholder.

**Short and Long Term Policies Now Permitted**

Section 9 of the bill (page 26 in the PDF file) amends Indiana Code § 22-3-5-5(c)(6). It provides that policies may now be written for periods other than just one or three years by adding the subsection wording “(C) the policy covers a period permitted in bureau rules under IC 27-7-2-20.”

The ICRB made an Item Filing, [01-IN-2013](#), effective July 1, 2013, with the Indiana Department of Insurance. It establishes the national rules on policy periods in Indiana and removes Indiana exceptions that were created in Item Filing [01-IN-2012](#), effective March 1, 2012. In summary, we have reinstated the national rules and Indiana state exception rules no longer exist.

**Bureau Policy Data is Confidential**

Section 20 of the bill (page 75 in the PDF file) adds Indiana Code § 27-7-2-40 to treat ICRB policy data as confidential.

Sincerely,

A handwritten signature in black ink that reads "Ronald W. Cooper". The signature is written in a cursive style with a large, prominent "R" and "C".

Ronald W. Cooper, CWCP  
President