

SUPPORTING STATEMENT

Report of Issuance of Policy

1240-0004 (LS-570)
Formerly 1215-0207

A. Justification.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collections. Attach a copy of the appropriate section of each statute and of each regulation mandating or authorizing the collection of information.

The Office of Workers' Compensation Program (OWCP) administers the Longshore and Harbor Workers' Compensation Act (LHWC) (33 USC 901 et seq.), <http://www.dol.gov/lhwca.htm>; and its extensions; the Non-appropriated Fund Instrumentalities Act, <http://www.dol.gov/owcp/dlhwc/nfia.htm>; the Outer Continental Shelf Lands Act, <http://www.dol.gov/owcp/dlhwc/ocsla.htm> and the Defense Base Act, <http://www.dol.gov/owcp/dlhwc/dba.htm>. These Acts provide compensation benefits to injured workers. The Secretary of Labor is authorized, under the Act, to make rules and regulations to administer the Act and its extensions.

The Longshore and Harbor Workers' Compensation Act, at 33 U.S.C. §932(a) requires each employer to secure its liabilities under the Act either by purchasing a policy of insurance from an authorized carrier or by qualifying as a self-insurer. The regulations at 20 CFR §703.116 require each authorized carrier to report each policy issued by it to an employer. The information is necessary (i) to ensure compliance by employers, (ii) to bind the carrier to the liabilities of the employer under 20 CFR §703.118 and (iii) so that the districts can identify the correct carrier for claims to ensure prompt payment of compensation to injured workers.

2. **Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The LS-570 will be completed by the insurance carrier and forwarded to the Department for review. Longshore and Harbor Workers' Compensation staff review the completed LS-570 to identify those operators who have secured insurance for payment of Longshore benefits as required by 20 CFR 703.116.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

In accordance with the Government Paperwork Elimination Act (GPEA), Longshore and Harbor Worker' Compensation (LHWC) recognizes the requirement that all OMB forms be made electronically interactive. The Office of Workers' Compensation Programs (OWCP) has recently developed a method for electronic submission of the LS-570. The form is available online at <http://www.dol.gov/owcp/dlhwc/ls-570.pdf>.

Most respondents are now able to use the National Council for Compensation Insurance as their agent to report policies electronically at the same time that they report similar information to the several states. Other respondents in some states do not have that capability and still need to submit the actual form to the District Offices. In addition, Defense Base Act (DBA) policies do not currently have electronic capabilities.

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

There is no similar approved information collection form used by LHWC or Federal Government for insurance carriers to report coverage of employers.

5. **If the collection information impacts small businesses or other small entities, describe any methods used to minimize burden.**

This collection of information does not involve small businesses.

6. **Describe the consequence of Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

This information is collected on an annual basis, because 20 CFR 703.112 requires that policies be issued for one year. LHWC needs to collect this information in order to conform to the regulatory requirements of the Longshore and Harbor Workers' Compensation Act. If this information is not collected, LHWC would be in violation of the regulating requirements of the Act.

7. **Explain any special circumstances required in the conduct of this information collection.**

There are no special circumstances for this information collection.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

No outside consultants were contacted concerning the use of the LS-570. The form has been in use since 1927, and there has been ample time to voice any complaints regarding its use.

A Federal Register Notice inviting public comment was published on August 29, 2012. No comments were received.

9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Respondents do not receive gifts or payments to furnish the requested information.

10. **Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.**

This information collection is not covered by the Privacy Act.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary;**

There are no questions of a sensitive nature on this form.

12. **Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not make special surveys to obtain information on which to base burden estimates. Consultation with a sample of potential respondents is desirable. If the burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reason for the variance. Generally, estimates should not include burden hours for customary and usual business practices. Provide estimates of the hour burden of the collection of information.**

The public burden estimate of this information collection is approximately 83 hours. This burden is based on approximately 1 minute for retrieving the information and completing each of the approximately 5,000 LS-570 forms received each year. This process is now almost fully automated. The majority of the proof of coverage information is now provided via electronic feed. There are about 360 insurance carriers that issue approximately 5,000 policy forms total.

5,000 forms X 1 minute = 5,000 minutes

$$5,000 \text{ minutes} \div 60 = 83 \text{ hours}$$

This represents a reduction in burden hours of 8,250 from the initial projection of 8,333 hours.

The annualized burden cost to the respondents has been estimated to be approximately \$1,343.77. This estimate is derived from use of the National Average Weekly Wage (NAWW) as computed by the Bureau of Labor Statistics and which is based on the national average earnings of production or nonsupervisory workers on private non-agriculture payrolls. 33 USC 908(b) of the Longshore and Harbor Workers' Compensation Act mandates the use of the NAWW in setting the maximum and minimum compensation rates under the Act and in determining the amount of annual adjustments due to permanent total disability and death beneficiaries. Since it is not possible to determine the specific occupation or wages for each person who will provide the information covered by this clearance, e.g., Longshore workers, shipbuilders, harbor workers, ship repair persons, and other maritime workers, and wages can vary considerably from person to person depending on duties and length of service, use of a national average weekly wage covering all occupations appears reasonable under the circumstances. The current applicable NAWW is \$647.60. The computations are therefore as follows: $\$647.60 \div 40 \text{ hrs} = \$16.19/\text{hr} \times 83 \text{ hrs} = 1,343.77$ annualized burden cost.

13. Annual Costs to Respondents (capital/start-up & operation and maintenance).

Operation and maintenance costs to print and mail the form are \$2,650.00. This estimate is based on a cost of \$0.45 per stamp, \$0.03 per envelope, and \$0.05 per form for printing, for a per-form cost of \$0.53.

$$5,000 \times \$0.53 = \$2,650.00$$

14. Provide estimates of annualized cost to the Federal government.

The estimated total cost to the Federal Government for processing these 5,000 forms is approximately \$3,089.50. The cost is figured as follows:

One data entry clerk (GS-5/8) earning \$ 18.50 per hour spending about 2 minutes reviewing the form, entering the data into the computer system, and filing the form.

5,000 X 2 = 10,000 minutes ÷ 60 = 167 hours
167 hours X \$18.50 = \$3,089.50

15. Explain the reasons for any program changes or adjustments

This process is now almost fully automated. The time to review an electronic feed is significantly less than reviewing the actual paper form.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection information, completion of report, publication dates, and other actions.

There are no plans to publish this collection of information.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This ICR does not seek a waiver from the requirement to display the expiration date.

18. Explain each exception to the certification statement in ROCIS.

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in these collections of information.