

SUPPORTING STATEMENT
Notice of Issuance of Insurance Policy
1240-0048

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 Black Lung Benefits Act (the Act), 30 U.S.C. 901-944, requires coal mine operators to be insured (either by qualifying as a self-insurer or obtaining commercial insurance) for liabilities arising from the Act; failure to do so may result in civil money penalties. 30 U.S.C. 933 (<http://www.gpo.gov/fdsys/pkg/USCODE-2011-title30/html/USCODE-2011-title30-chap22-subchapIV-partC-sec933.htm>). Accordingly, 20 CFR Part V, Subpart C, 726.208 - .213 (http://www.ecfr.gov/cgi-bin/text-idx?SID=6879d5bc7d2580bacd2c5531e3c57c15&mc=true&node=sg20.4.726_1207.sg0&rgn=div7) requires insurance carriers to report to the Division of Coal Mine Workers' Compensation (DCMWC) each policy and endorsement issued, cancelled, or renewed with respect to operators in such a manner and on such form as DCMWC may require. These regulations also require carriers to file a separate report for each operator it insures. Carriers use Form CM-921, Notice of Issuance of Insurance Policy, to report issuance of insurance policies to operators.

When the insured coal mining operations are conducted in a State that reports all workers' compensation to the National Council on Compensation Insurance (NCCI), DCMWC does not require the carrier to file Form CM-921. OWCP and NCCI have a Memorandum of Understanding (MOU) in place that permits NCCI to provide policy information directly to OWCP via Secure FTP (File Transfer Protocol) server. However, carriers writing coverage outside of NCCI-reporting states must file Form CM-921.

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 CM-921 will be completed by the insurance carrier and forwarded to the Department for review when not reporting to NCCI. DCMWC staff reviews any completed CM-921 to identify those operators who have secured insurance for payment of black lung benefits as required by Section 423 of the Act.

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), DCMWC recognizes the requirement that all OMB forms be made electronically interactive. The Office of Workers' Compensation Programs (OWCP) has developed a method for electronic submission of the CM-921. The form is available online at <http://www.dol.gov/owcp/regs/compliance/cm-921.pdf>. The form can be completed online, printed, signed and e-mailed to DCMWC-public@dol.gov, or the form can be completed online, printed, signed, and mailed to: U.S. Department of Labor, Office of Workers' Compensation Program, Division of Coal Mine Workers' Compensation, 200 Constitution Avenue, N-3463, N.W., Washington D.C. 20210.

Respondents who report all operator coverage to NCCI do not need to file this form. OWCP and NCCI have a Memorandum of Understanding in place that permits NCCI to provide policy information directly to OWCP via Secure FTP (File Transfer Protocol) server. Any other respondents in states that do not have such capability must submit the actual form to DCMWC.

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 DCMWC or the Federal government for insurance carriers to report coverage of coal mine operators under the Act. Many states also collect this information through NCCI. OWCP and NCCI have a Memorandum of Understanding in place that permits NCCI to provide policy information directly to OWCP via Secure FTP (File Transfer Protocol) server; therefore, OWCP has removed reporting that is duplicative with state requirements.

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

This information collection does not have a significant economic impact on a substantial number of small entities.

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 each time a carrier issues or renews a policy to an operator to cover liabilities under the Act. DCMWC needs to collect this information to be sure operators are complying with their statutory insurance obligations and to be able to identify liable parties when a claim for benefits is filed.

7. Explain any special circumstance required in the conduct of this information collection:

There are no special circumstances for conducting 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.

A Federal Register Notification inviting public comment was published on November 13, 2019 (84 FR 61657). No comments were received.

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

No payments or gifts are provided to respondent.

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

No assurance of confidentiality is provided. No information covered by the Privacy Act of 1974 is collected.

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; the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This collection contains no questions of a sensitive nature.

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 61 (58 + 3) hours for reports sent to NCCI. This burden is based on NCCI receiving 3,450 electronic responses, one response annually from each respondent. It is estimated that it takes each respondent one (1) minute to confirm their coverage electronically with NCCI.

3,450 responses X 1 minute = 3,450 minutes
3,450 minutes / 60 = 58 (57.50 rounded up to 58)

Another public burden estimate of this information collection is approximately 3 hours for the CM-921 forms filed with DCMWC by other carriers. This burden is based on approximately 10 minutes for retrieving the information and completing each of the around 15 forms received each year. There are some state agencies or insurance carriers insuring approximately 15 coal mine operators that cannot use the NCCI/OWCP MOU to provide coverage information by Secure FTP.

15 forms X 10 minutes = 150/60 = 3 hours (2.5 rounded up)

Total respondents is 3,465 (3,450 + 15).

The estimated annualized cost to respondents to provide this information is \$55.35. This was determined by using the weekly wage of the Office and Administrative Support Positions (\$18.45 per hour average) of the Usual Weekly Earning of Wage and Salary Workers 2018, published by the Bureau of Labor Statistics <http://www.bls.gov/news.release/wkyeng.t08.htm>

3 hours X \$18.45 per hour = \$55.35

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

Operation and maintenance costs to print and mail the form is \$9.00. This estimate is based on a cost of \$0.55 per stamp, \$0.03 per envelope, and .05 per form, for a per-form cost of \$0.63 for each of the 15 forms mailed. OWCP does not believe insurance companies reporting coverage through NCCI will incur an addition operation and maintenance costs.

15 forms X \$0.63 = \$9.00 (\$9.45 rounded down)

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

The estimated total annual cost to the Federal government is approximately \$2,795.12 (\$2,395 + \$40.12 + \$360).

Claims examiners view available information from NCCI approximately 4,000 times annually. Each view performed by a claims examiner (GS-12/1) will take approximately one minute to perform. The hourly rate of a GS-12/1 claims examiner is \$35.74 https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/RUS_h.pdf

The annualized cost to the Federal government is figured as follows:

4,000 minutes / 60 = 67 (66.77 rounded up) hours X \$35.74 per hour = \$2,395.00 (\$2,394.58 rounded up)

Fifteen of the forms received by DCMWC are reviewed by one data entry clerk (GS-5/8) earning \$20.06 per hour spending about 8 minutes reviewing the form, entering the data into the computer system, and filing the form. <https://www.opm.gov/policy-data->

[oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/RUS_h.pdf](#)

15 forms X 8 minutes = 120 minutes
120 minutes / 60 = 2 hours X \$20.06 = \$40.12

OWCP estimates the Agency spends \$360 per year to maintain its side of the FTP with NCCI.

15. Explain the reasons for any program changes or adjustments.

There has been an adjustment to the annualized cost to the Federal government due to increased use of the NCCI data. Claims examiners access NCCI for insurance coverage matters and also query for tax ID numbers, subsidiary lists, and addresses.

Minor changes have been made to the Instructions for the CM-921 to update antiquated language, add an electronic filing option, and request the MSHA ID.

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 identified 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.