

**SUPPORTING STATEMENT FOR
Carrier's Report of Issuance of Policy**

OMB CONTROL NO. 1240-0004

This ICR seeks to extend the authorization of the Carrier's Report of Issuance of Policy, Form LS-570.

A. JUSTIFICATION

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

The Division of Longshore and Harbor Workers' Compensation administers the Longshore and Harbor Workers' Compensation Act. This Act provides benefits to workers injured in maritime employment on the navigable waters of the United States or in an adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel. In addition, several acts extend Longshore Act coverage to certain other employees.

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 the carrier 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.

Most respondents are now able to use the National Council for Compensation Insurance (NCCI) 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.

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 to adopt this means of collection. Also, describe any consideration of using information technology to reduce burden.

In accordance with the Paperwork Reduction Act (PRA), the Division of Longshore and Harbor Worker's Compensation (DLHWC) recognizes the requirement that all OMB forms be made electronically interactive. The form is electronically accessible, fillable and fileable. The form is available online at <https://www.dol.gov/sites/dolgov/files/OWCP/dlhwc/lh-570.pdf>

Most respondents are now able to use the National Council for Compensation Insurance (NCCI) 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.

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 A.2 above.

There is no similar approved information collection form used by the Division of Longshore and Harbor Workers' Compensation (DLHWC) or Federal Government for insurance carriers to report coverage of employers.

5. If the collection of 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 to 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. DLHWC 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, DLHWC would be in violation of the regulating requirements of the Act.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- * **requiring respondents to report information to the agency more often than quarterly;**
- * **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- * **requiring respondents to submit more than an original and two copies of any document;**
- * **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- * **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- * **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- * **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- * **requiring respondents to submit proprietary, trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances required in the collection of this information.

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. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be

circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No outside consultants were contacted concerning the use of the LS-570 Form. 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 January 20, 2022 (87 FR 3127). No comments were received.

9. Explain any decision to provide any payments or gifts 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, regulation, 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, 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.

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 conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.¹**

1

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

The public burden estimate of this information collection is approximately 25 hours. This burden is based on approximately 1 minute for retrieving the information and completing each of the approximately 1,500 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 400 insurance carriers that issue approximately 1,500 policy forms total.

$$1,500 \text{ forms} \times 1 \text{ minute } (.01666 \text{ hours}) = 24.99 \text{ hours (rounded to 25 hours)}$$

The annualized burden cost to the respondents has been estimated to be approximately \$539.75. 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 retention period for this recordkeeping requirement is five years.

The current applicable NAWW is \$863.49. The computations are therefore as follows:

$$\$863.49 \div 40 \text{ h} = \$21.59/\text{h} \times 25 \text{ h} = \$539.75 \text{ annualized burden cost.}$$

Estimated Annualized Respondent Cost and Hour Burden

Activity	No. of Respondents	No. of Responses per	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Monetized Value of Respondent Time
----------	--------------------	----------------------	-----------------	------------------------	----------------------	------------------	------------------------------------

		Respondent					
LS-570 Form	400	3.75	1,500	.01666	25 (rounded)	\$21.59	\$539.75

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

Most respondents are able to submit their forms electronically thru the National Council on Compensation Insurance (NCCI) data feed. The only respondent costs involve the few respondents that will send their forms by mail. We estimate that only 5 respondents (submitting approximately 5 forms annually each = 25 forms) will have to mail their forms for a total mailing

cost of \$15.25.

25 forms x \$.61 postage (\$.58 postage and \$.03 envelope charge) = \$15.00 (rounded) Annual Cost Burden

14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

The estimated total cost to the Federal Government for processing these 1,500 forms is approximately \$1,067. The cost is figured as follows:

One data entry clerk (GS-5, step 8) earning \$ 21.34 per hour spending about 2 minutes reviewing the form, entering the data into the computer system, and filing the form.

1,500 forms x 2 minutes = 3,000 minutes ÷ 60 = 50 hours
50 hours x \$21.34 per hour = \$1,067 Total Government Cost

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

The burden hours for this information collection have remained unchanged from the previous submission.

16. For collections of information whose results will be published, outline plans for tabulations, 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 of 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.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Carrier's Report of Issuance of Policy
OMB Control Number: 1240-0004
OMB Expiration Date: July 31, 2022

Statistical methods are not used in these collections of information.