

SUPPORTING STATEMENT
Securing Financial Obligations under the Longshore and Harbor
Workers' Compensation Act and its Extensions
OMB Control No. 1240-0005

This ICR seeks to extend this information collection.

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 Longshore and Harbor Workers' Compensation Act requires covered employers to secure the payment of compensation under the Act and its extensions by purchasing insurance from a carrier authorized by the Secretary of Labor to write Longshore Act insurance, or by becoming authorized self-insured employers (33 U.S.C. 901, 20 CFR 703.209, 20 CFR 703.210, 20 CFR 703.203, 20 CFR 703.303, 20 CFR 703.205, 20 CFR 703.204, 20 CFR 703.212, 20 CFR 703.304). Each authorized insurance carrier (or carrier seeking authorization) is required to establish annually that its Longshore Act obligations are fully secured either through an applicable state guaranty (or analogous) fund, a deposit of security with the Division of Longshore and Harbor Workers' Compensation (DLHWC), or a combination of both. Similarly, each authorized self-insurer (or employer seeking authorization) is required to fully secure its Longshore Act obligations by depositing security with DLHWC. These requirements are designed to assure the prompt and continued payment of compensation and other benefits by the responsible carrier or self-insurer to injured workers and their survivors. Regulations establishing these requirements are set forth at 20 C.F.R. §§ 703.2, 703.204, 703.205, 703.303 and 703.304.

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.

Forms associated with this information collection obtain information used for determining appropriate security deposit amounts and insuring compliance with the security deposit requirements are described below.

LS-276, Application for Security Deposit Determination. Each currently authorized carrier and any carrier seeking such authorization must apply annually for a determination of the amount of security it must deposit with DLHWC by completing

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Form LS-276. DLHWC will use the information collected on Form LS-276 to determine the required security deposit amount for each carrier in light of the applicable state guaranty fund coverage. Regulations establishing this requirement are set forth at 20 C.F.R. §§ 703.2, 703.203, 703.209, 703.210, and 703.212.

LS-275 IC, Agreement and Undertaking (Insurance Carrier); LS-275 SI, Agreement and Undertaking (Self-Insured Employer). After DLHWC determines the amount of the required security deposit, the insurance carrier or self-insured employer executes Form LS-275 IC or LS-275 SI, respectively, to: 1) report the security it has deposited and grant the Department a security interest in the collateral; 2) agree to abide by the Department's rules; and 3) authorize the Department to bring suit on any deposited indemnity bond, draw upon any deposited letters of credit, or to collect the interest and principal or sell any deposited negotiable securities when it deems it necessary to assure the carrier's or self-insurer's prompt payment of compensation and any other Longshore Act obligations it has. DLHWC reviews the information collected and verifies that the carrier or self-insurer has deposited the correct amount of security. DLHWC uses this information if it takes action on the security deposited to assure that the carrier or self-insurer meets its Longshore Act obligations.

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.

Form LS-276. OWCP has made this form available on the Internet in an electronically interactive format that allows insurance carriers to fill it in and then print the completed form for signature. The completed, signed form may now be submitted to DLHWC via e-mail, mail, or other delivery service.

Forms LS-275 IC and LS-275 SI. OWCP has made these forms available on the Internet in an electronically interactive format that allows insurance carriers and self-insurers to fill them in and then print the completed forms for signature and notarization. The completed, signed and notarized form may now be submitted to DLHWC via e-mail, mail, or other delivery service.

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.

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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 financial obligations.

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 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.

Form LS-276. If this information were not collected, DLHWC would be unable to determine the amount of security an insurance carrier must deposit in order to assure prompt payment of its Longshore Act obligations and to protect the financial integrity of the Longshore special fund (see 33 U.S.C. 944) in the event the carrier defaults or becomes insolvent. Because a carrier's Longshore Act obligations change from year-to-year (e.g., new claims are filed, previously filed claims are paid in full) annual evaluation of the required security deposit amount is necessary.

Forms LS-275IC and LS-275SI. Please refer to Nos. 1 and 2. The information collected from respondents is the minimum needed to adequately assure payment of Longshore Act obligations by the appropriate carrier or self-insurer and to protect the financial integrity of the Longshore special fund (see 33 U.S.C. 944).

7. Explain any special circumstance 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;**

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- **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 for 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.

OWCP has not consulted with the public for this specific ICR during the last 3-year period. We are in the process of reviewing all our ICR requirements and implementing procedures to comply with M-22-10 for any ICR's submitted to OMB after Oct.1 2023 and will continue thereafter.

A Federal Register Notice inviting public comment was published on 02/08/2023 (88 FR 8321). Comments were/were not 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 respondents.

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

To the extent records pertaining to specific compensation cases are disclosed, they are protected under the Privacy Act. Otherwise, the information collected is not protected under the Privacy Act. The applicable Privacy Act System of Records is DOL/OWCP-3,4, published at 81 *Federal Register* 25859-61 (April 29, 2016), or as updated and republished.

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 these forms.

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.**
- **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.**

Estimated Annualized Respondent Hour and Cost Burdens

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Form/ Activity/ Section	Number of Respondents	No. of Responses per Respondent	Total Annual Responses	Average Burden per Response (in hours)	Total Annual Burden (Hours)	Hourly Rate*	Monetized Value of Respondent Time
LS-275(IC) OR LS-275(SI)	293	1	293	1.25	366	\$26.96	9,867.36
LS-276	412	1	412	1.25	515		13,884.40
Unduplicated Totals	705		705	1.25	881		\$23,751.76

*Hourly rate taken from Bureau of Labor Statistics Employment Database
<http://data.bls.gov/timeseries/CEU0500000008>

This renewal requires respondents to be registered users of the web portal to electronically upload documents into a case record. The time to input this information is minimal, less than one minute, and therefore does not impact the current burden estimates.

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.**

These information collections do not require the use of systems or technology for generating, maintaining or disclosing data that would not already be kept as a customary business practice. The only respondent costs involve the cost for submitting the forms. DLHWC has not accepted these completed forms via e-mail in the past and does not have an accurate estimate of the percentage of responses that will be submitted via e-mail. For this reason, DLHWC has based the estimate for all responses on the higher mailing costs. These estimates likely overstate the actual costs respondents will incur.

A mailing cost of \$.58 per response (\$.55 postage and \$.03 envelope charge) is applied as an operation cost.

The costs are as follows:

705 forms (412 LS-276 responses + 293 LS-275 responses = 705) x \$.58 postage = **\$408.90 Total Postage Costs (\$409.00 Rounded)**

14. Provide estimates of 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.

Form	Time to Review	Number of Respondents	Costs
LS-276	45 minutes	412	\$17,013.54
LS-275 SI/IC	5 minutes	293	\$1,344.56
Totals	50 minutes	705	\$18,358.10

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The cost to the Federal government for these collections of information has been estimated to be approximately \$18,358.10. This estimate was determined by taking into consideration the analysis costs associated with the review of the forms.

Processing and reviewing costs.

LS-276. A GS-13 insurance examiner in the Washington, DC metropolitan area evaluates the information collected on Form LS-276. A mid-range (step 6) examiner, as reported on salary table 2023-DCB issued by the Office of Personnel Management, earns \$55.06 per hour. It takes approximately 45 minutes to review and analyze each form, and determine the amount of security the insurance carrier must post. Based on 412 annual responses, the total annual review time is 309 hours (412 responses x 0.75 hours/response = 309 hours). Thus, the total processing cost is \$17,013.54 (309 hours x \$55.06 /hour = \$17,013.54).

LS-275 IC and LS-275 SI. A GS-13 insurance examiner in the Washington, DC metropolitan area evaluates the information collected on Forms LS-275 IC and LS-275 SI. A mid-range (step 6) examiner, as reported on salary table 2023-DCB issued by the Office of Personnel Management, earns \$55.06 per hour. It takes approximately 5 minutes to review and analyze each form. Based on 293 annual responses, the total annual review time is 23.71 hours (293 responses x 5 minutes/response = 1,465 minutes; 1,465 ÷ 60 minutes/hour = 24.42 hours). Thus, the total processing cost is \$1,344.56 (24.42 hours x \$55.06 = \$1,344.56).

The calculations are therefore as follows:

\$17,013.54 (LS-276) + \$1,344.56 (LS-275 IC and LS-275 SI) = \$18,358.10 total cost to the Federal Government

*Hourly rate taken from Salary Table 2023 – DCB

(https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/RUS_h.pdf)

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

There is an increase of 12 hours from previously-established burden hours due to a slight increase in the number of authorized insurance carriers from the last submission which also subsequently increased responses and costs. Costs to respondents were erroneously recorded in the last iteration with an incorrect number and have increased from.

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

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ending dates of the collection information, completion of report, publication dates, and other actions.

There are no plans to publish any data collected in LS-276, LS-275 IC, or LS-275 SI.

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 information collection request 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.