Michigan Department of
Labor and Economic Opportunity
Workers' Disability Compensation Agency

Proof of Coverage
Electronic Data Interchange
Implementation Guide

May 9, 2025

TABLE OF CONTENTS

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

1. Introduction

The Michigan Department of Labor and Economic Opportunity (LEO) Workers' Disability Compensation Agency (Agency) has been developing its Electronic Data Interchange (EDI) program for some time. The rate of EDI submissions is expected to have steady growth in the future as the Agency seeks increased operational efficiencies and encourages the business community to operate in an increasingly paperless environment.

The EDI program at the Agency will streamline the submission of Issuance of Policy, Insurer's Notice of Name or Address Change and Termination of Liability data from its trading partners to meet their statutory filing requirements and eliminate the handling of paper forms whenever possible. Nationwide, an ever-increasing percentage of Proof of Coverage (POC) submissions are received via EDI processing. This percentage is expected to grow substantially as additional insurance companies embrace the benefits of EDI.

1.1 Advantages of EDI

The electronic submission of workers' compensation coverage information has many advantages compared with the submission of paper claims. The benefits and advantages are shared by both the trading partner submitting EDI information, as well as the Agency. The Agency invites you to explore the possibility of participating in its EDI program and to enjoy the many benefits. The advantage of electronic submission allows for superior communications between the Agency and its reporters which, in turn, leads to increased accuracy, improved timeliness and reduced costs.

- Improved reporting performance
- Time savings
- Cost savings

Improved reporting performance – Electronic submission provides a more efficient way to submit the legally required information related to workers' compensation policies. Typically, the electronically submitted data will be received, processed and acknowledged within hours of when it was submitted, rather than the multiple days it would take through the postal system. The timely submission of policy information is of primary importance to both the Agency and reporting Insurers. EDI allows Insurers to meet their reporting deadlines in a timely manner.

Time savings – EDI policy submission provides an efficient means of getting the correct information to the Agency as quickly as possible. EDI saves time by eliminating the overhead of the paper handling that is required and is otherwise necessary for both the trading partner and the Agency. The use of EDI for policy submission also streamlines the process of error resolution by eliminating the phone calls that might otherwise be necessary to ensure that accurate information is being reported.

Cost savings – Although there are initial costs involved with developing and implementing a new EDI process, these costs can be recouped, and the system can pay for itself many times over by the efficiencies garnered using electronic reporting. The cost of faxing, mailing and handling paper documents can be avoided when data is sent electronically. Personnel at both ends of the electronic report who would otherwise be involved in the handling of paper-generated policy information can be reassigned to other tasks. Fewer people are required to monitor and administer the EDI process than is necessary to process paper documents.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

2. Electronic Policy Reporting in Michigan

Michigan is a member or the International Association of Accidents Boards and Commissions (IAIABC). The IAIABC has developed standards that are used by state jurisdictions and various insurers that are required by law to report workers' compensation insurance coverage.

Legislation was passed in December of 2002 allowing the Agency to accept insurance coverage filings electronically. In lieu of submitting hard copy forms, the Agency implemented voluntary electronic reporting of Workers' Compensation Proof of Coverage data on May 31, 2005. Beginning January 19, 2021, Michigan transitions to IAIABC Proof of Coverage Release 3.0 format of electronic policy reporting on a voluntary basis. IAIABC Proof of Coverage Release 3.0 implementation guide can be found at www.IAIABC.org. Insurance carriers will have two options to report Proof of Coverage electronically in Michigan:
1) use an approved vendor as their agent (who will convert WCPOLS information to the IAIABC standard format and electronically transfer the data to the Agency); or
2) electronically send data directly to the Agency.

2.1 Filing Considerations:

1. For Insurance Carriers using a vendor as their agent it is strongly recommended that transmissions to are submitted to the vendor daily.
2. The Agency's received date (for 20-day notice on cancellations, etc.) will be the date the electronic filing is received at the Agency (via vendor or directly), unless specifically rejected by the Agency.
3. If possible, carriers should avoid filing multiple transactions for a policy in one batch. When multiple transactions for the same policy are necessary, it is imperative that they be sent in logical business event sequence. If transactions are not received in the correct order, they may be rejected or cause coverage problems by being loaded out of sequence in the Agency's database. For example, if a policy is cancelled flat, the policy issuance should occur first in the batch and then the cancellation. If these transactions were sent in reverse order, the cancellation would get processed first and would be rejected because the Agency would not have a record of the policy issuance. The issuance would then be accepted and loaded to the database as open coverage.
4. Issuance of *Wrap-up* policies (Michigan Specific Risk sites) will not be accepted electronically. Notice of Issuance of Specific Risk Policy must be submitted on paper.
5. Multi-entity policies may result in acceptance of some Insured/Employers but not all. Active Policy report should be used by Insurers to reconcile coverage status on the Agency's database.
6. Reconciliation: Prior to implementation, the Agency will provide a list of all active policies to the insurer. The Active Policy list will include active names and addresses for each employer entity on the policy. It is strongly recommended that Insurers reconcile their active policies prior to implementation. Agency coverage records for policies not reconciled will continue to reflect that the insurer remains on the risk until a termination is accepted. Contact the Agency to request a list of active policies.
7. A mailing or physical address is required for each Insured/Employer FEIN covered by the policy. When there is no mailing or physical location in Michigan, Location of Operations with an Out-of-State Address should be reported.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

2.1 Filing Considerations:

8. Changes to Names and Addresses will only be allowed during active policy period for the Insurer and Insured or Employer combination
9. Translating WCPOLS Names to IAIABC POC records – refer to WCPOLS Name and Address matching in the appendix

2.2 Electronic Reporting Requirements

Filing Type	Electronic Filing Requirements	Hard Copy Requirements
Issuance of Policy (WC-400)	Must be accepted by the Agency within 30 days after the effective date of the policy.	Must be received by the Agency within 30 days after the effective date of the policy.
Endorsements (WC-403)	Must be submitted when Insurer becomes aware of the change	Must be received by the Agency within 30 days after the effective date of the change.
Reinstatements (WC-400)	Must be accepted by the Agency within 30 days after the effective date of the policy. Multiple entity policies can be reinstated electronically only if all entities have the same cancellation date.	Must be received by the Agency within 30 days after the effective date of the reinstatement.
Cancellations (WC-401)	Must be accepted by the Agency at least 20 days prior to the effective date of cancellation.	Must be received by the Agency at least 20 days prior to the effective date of cancellation
Renewals	Not mandated by statute but may be sent in order to update policy numbers so that cancellations can be processed electronically.	N/A

The following IAIABC Proof of Coverage Release 3.0 worksheets that describe Proof of Coverage electronic filing in Michigan are available in MS Excel spreadsheet format on the Agency's website at https://www.michigan.gov.

1. **Event Table** defines Proof of Coverage reporting events (Triplicate Codes). Conditions to determine reportable events and criteria to derive respective due dates are described. Note: Only Triplicate Codes where a date is indicated in the Event Rule From date column should be reported; MI does not require and will not accept Triplicate codes where "N/A" is indicated in this column.
2. **Element Requirement Table** defines the data required to be included in reportable events (Triplicate Code) indicated in the Event table.
3. **Edit Matrix** has multiple worksheets to define code validations, edits that will be applied to the data, population restrictions and Error Text that will be returned on acknowledgments for edit failures. The Edit Matrix also provides the standard error messages associated with these edits

2.3 EDI Communications and Processing times

Trading partners are permitted to send and receive EDI transmissions at any time. EDI data files are processed daily and acknowledgment files are returned to the sender through the same communication interfaces as the files were received. The acknowledgment process provides an indicator to the success or failure of each submitted EDI transaction.

Files transferred to and received by the MI DEG mailbox by 11 PM, EST, will be processed on the business day received. Transmissions received after that time will be processed the following business day.

2.4 Data validation

1. Data required in electronic transactions vary by Event (Triplicate Code) as described in the Element Requirement table. Data content is evaluated for presence and appropriate values during processing.
2. Insured FEIN (DN0314), Employer FEIN (DN0016) and Insurer FEIN (DN0006) are used to match incoming transactions to the Agency's database.
3. Address standardization is applied to incoming Insured and Employer addresses for comparison to the Agency's database. Standardized addresses will be stored.

2.5 Acknowledgments

An acknowledgment record (AKP) is returned to the sender to confirm whether the EDI batch or individual transactions were accepted or rejected.

The acknowledgment record is a variable length record that indicates the status of the overall transaction and informs the trading partner about individual data elements that had validation problems. If there are data elements in a transaction that failed validation, the data element number and a corresponding error number that indicates the reason for the validation failure is generated in the acknowledgment record. The Application Acknowledgment Codes (DN0111) that can be returned with the acknowledgment record are:

Code	Description
HD	Batch rejected in its entirety
TA	Transaction accepted (no validation issues)
TR	Transaction rejected (contents of one or more data element failed validation)

All acknowledgment records for a batch from a specific trading partner are written to a unique file that corresponds to the transmitted EDI data file that was sent. The acknowledgment batch file also has header (HD1) and trailer (TR1) records written as the first and last records, respectively.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

3. Proof of Coverage Records and File Composition

3.1 Proof of Coverage Record Types

The IAIABC Proof of Coverage Release 3.0 standard defines record types that are used to submit electronic data between trading partners. Proof of Coverage transactions are comprised of Insured records (PC1) and Employer records (PC2). Standard data element numbers (DN) are used to identify the lengths, positions and content of the data within each record so both the sender and receiver can identify fields during the validation and acknowledgment processes. For example, DN0006 is the data element number for the "Insurer FEIN" field. The content of each data element is validated and can potentially generate an error for the transaction or entire batch.

Record	Usage	Description
HD1	Submitted and Response	The use of an HD1 transaction in each batch is mandatory. It is the first record in a batch of transactions. There are fields within the HD1 record that identify the sender and informs the recipient of the transactions that follow. "POC" should be present in the Batch Type Code within the Interchange Version ID to indicate that the batch contains Proof of Coverage transactions.
PC1	Submitted detail record	Insured record contains the primary Employer entity for the Workers' Compensation insurance policy
PC2	Submitted detail record	Employer record contains additional Employer entities named on the Workers' Compensation insurance policy. Employer record is also used to identify additional names and/or addresses. Employer records may have the same or different FEIN as the Insured
AKP	Response detail record	The AKP acknowledgment record is returned to inform the trading partner of the status of the submitted transaction. There is a corresponding AKP record for each PC1 or PC2 record that is sent and processed. Batch failures will have one acknowledgment record regardless of how many records were in the original batch.
TR1	Submitted and Response	The TR1 trailer record is used to indicate that there are no more records to process and to verify the number of records that were sent in the batch. The use of a TR1 transaction in each batch is mandatory.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

3.2 Batch structure

Several different records are required in a batch of EDI transactions. The records must be formatted with appropriate data in the necessary positions and the records must be in the correct order within the batch.

Each batch must have a header record (HD1) as the first record in the file. The Interchange Version ID (DN0105) within the header record identifies which transaction type is contained in the batch. A batch of POC transactions must consist of one or more PC1 and PC2 detail records. The last record in the batch must be the trailer record (TR1), which contains record counts for the batch. The Detail Record Count within the trailer record should always equal the number of PC1, PC2 or AKP detail records contained in the batch.

Sample *Submitted* Batch structure:	Sample *Response* Batch structure:
HD1 (header record)	HD1 (header record)
PC1 (detail record)	AKP (detail record)
PC2 (detail record)	AKP (detail record)
PC2 (detail record)	AKP (detail record)
PC1 (detail record)	AKP (detail record)
TR1 (trailer record)	TR1 (trailer record)

4. EDI DATA MAPPED TO AGENCY FORMS

To better understand how the paper reporting data is represented using EDI, the EDI data element equivalent (DN) is illustrated in the respective form fields for each paper form that is currently required to report Workers' Compensation insurance coverage in Michigan.

1. The Agency will populate "EDI Submission" in the form's Authorized Signature field on the form.
2. The Agency will populate the Date the batch was received by the Agency in the Date field on the form
3. Form specific data mapping – EDI data mapped to respective form equivalents are provided on the following pages. The Agency's Element Requirement table illustrates Triplicate Code to form equivalent, DN# and Data Element Name references. One form facsimile is created for <u>Accepted</u> (TA) EDI transactions as follows:
    i. **400** Issuance - one 400 is created for
        - Insured FEIN on PC1 record
        - each PC2 Employer FEIN that doesn't match PC1 Insured FEIN (DN0314)
        - each PC2 with a new Employer FEIN being added to a multi entity policy with a 00-31-54 triplicate code
    ii. **403** Name or Address Change - One 403 is created for the following changes:
        - 04/05 PC1 pair that changes Insured or Employer Name, Address, Number of Employees or Legal Status
        - PC1/PC2 Adding Employer Location(s) addresses
        - PC1/PC2 Deleting Employer locations addresses
    iii. **401** Terminations – One 401 is created for
        - each employer where active coverage is found for the policy number and Insurer FEIN combination
        - each PC2 where all addresses for an Employer FEIN are being deleted from a multi entity policy with a 00-31-56 triplicate code

INSURER'S NOTICE OF ISSUANCE OF POLICY
Michigan Department of Labor and Economic Opportunity
Workers' Disability Compensation Agency
P.O. Box 30016, Lansing, MI 48909

Note: one form for Insured FEIN on PC1 record, new 400 for each PC2 Employer FEIN (DN0016) that doesn't match PC1 Insured FEIN (DN0314), new 400 for each PC2 with a new Employer FEIN being added to a multi entity policy with a 00-31-54 triplicate code

A separate Form 400 is required for each legal entity insured under a policy

INSTRUCTIONS: SEE REVERSE SIDE

1. Employer Federal I.D. Number PC1: DN0314 PC2: DN0016	2. Name of Business PC1: DN0017 PC2: DN0018			
3. Parent Company Federal I.D. Number	4. Owner of Business (if applicable)			
5. Mailing Address PC1: DN0315, DN0316 PC2: DN0019, DN0020	6. City PC1: DN0317 PC2: DN0021		7. State PC1: DN0318 PC2: DN0022	8. ZIP code PC1: DN0319 PC2: DN0023

9. Type of Organization (DN0323 from PC1 or DN0339 from PC2)

_____ a. Corporation _____ c. Individual _____ e. Joint Venture _____ g. Limited Liability Company

_____ b. Partnership _____ d. Public Employer _____ f. Trust/Estate _____ h. Association/Organization

10. Annual Payroll in Dollars DN0327 (same for PC1 and PC2)	11. Michigan Class Code DN0326	12. Number of Employees DN0330 fromPC2	13. Carrier Federal I.D. Number DN0006 (same for PC1 and PC2)
14. Zip Code of Issuing Office DN0310 (same for PC1 and PC2)	15. Name of Insurance Company DN0007 (same for PC1 and PC2)		
16. Policy Number DN0028 (same for PC1 and PC2	17. Effective Date of Coverage DN0029 (same for PC1 and PC2)	18. Is this a Deductible Policy? Derived from DN0337 Yes No	

Pursuant to the Worker's Disability Compensation Act, this is to certify that the above referenced employer has been issued a policy of insurance by the above carrier. This policy covers all the liability imposed upon the employer by the provisions of the Michigan Worker's Disability Compensation Act for all employees in any and all of the employer's businesses.

19. Authorized Signature "EDI Submission" (PC1 and PC2) "Record Sequence Number" DN0107 from applicable PC1 or PC2 record	20. Date

21. Please list below additional names and/or addresses for the Federal I.D. Number listed in Item #1. (A separate Form 400 is required for each legal entity insured under a policy.) names and addresses from PC2 with same FEIN as PC1 (DN0314 and DN0016) or multiple PC2 records with same DN0016)

Name of Business DN0018			Name of Business DN0018		
Address DN0019, DN0020			Address DN0019, DN0020		
City DN0021	State DN0022	ZIP Code DN0023	City DN0021	State DN0022	ZIP Code DN0023
Name of Business DN0018			Name of Business DN0018		
Address DN0019, DN0020			Address DN0019, DN0020		
City DN0021	State DN0022	ZIP Code DN0023	City DN0021	State DN0022	ZIP Code DN0023

LEO is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.	Authority: Worker's Disability Compensation Act 418.625(1): R408.41 Completion: Mandatory

WC-400 (1/8/2020)

INSURER'S NOTICE OF NAME OR ADDRESS CHANGE
Michigan Department of Labor and Economic Opportunity
Workers' Disability Compensation Agency
P.O. Box 30016, Lansing, MI 48909

Note: one form for each 1) paired PC1 04/05 triplicate code <u>or</u> 2) Add Employer location(s) <u>or</u> 3) Delete Employer location(s)

INSTRUCTIONS: SEE REVERSE SIDE

SECTION A

1. Employer Federal I.D. Number DN0314 (PC1 with Transaction Set Purpose Code -04)	2. Name of Business DN0017 (PC1 with Transaction Set Purpose Code -04)	
3. Policy Number DN0028 (PC1 with Transaction Set Purpose Code -04)	4. Carrier Federal ID Number DN0006 ((PC1 with Transaction Set Purpose Code -04)	
5. Name of Insurance Company Name related to DN006 from PC1 with Transaction Set Purpose Code -04)		6. ZIP Code of Issuing Office DN0310 (PC1 with Transaction Set Purpose Code -04)

SECTION B from PC1 (PC2 when Employer FEIN is different from Insured FEIN)

List below any CHANGES to name, mailing address, or legal structure for the Federal I.D. Number listed in Section A

1. Name of Business (**Former**) Triplicate Code **04-32-84** DN0017 (PC1) DN0018 (PC2 for different Employer FEIN related to 04-32-84 PC1)			1. Name of Business (**New**) Triplicate Code **05-32-84** DN0017 (PC1) DN0018 (PC2 for different Employer FEIN related to 05-32-84 PC1)		
2. Address DN0315, DN0316 (PC1) DN0019, DN0020 (PC2)			2. Address DN0315, DN0316 (PC1) DN0019, DN0020 (PC2)		
3. City DN0317 (PC1) DN0021 (PC2)	4. State DN0318 (PC1) DN0022 (PC2)	5. ZIP Code DN0319 (PC1) DN0023 (PC2)	3. City DN0317 (PC1) DN0021 (PC2)	4. State DN0318 (PC1) DN0022 (PC2)	5. ZIP Code DN0319 (PC1) DN0023 (PC2)
6. Effective Date of Change DN0304 (PC1 with Triplicate Code 04-32-84)			7. Legal Status Change to: DN0323 - (PC1 05-32-84) or DN0339 (PC2) ____Corporation ____Partnership ____Individual ____Limited Liability Co.		

SECTION C from PC2 related to parent PC1 Triplicate code = 00-31-54 (one for each related PC2)

List below any NEW names and/or addresses not previously reported for the Federal I.D. Number listed in Section A

1. Name of Business DN0018			1. Name of Business DN0018		
2. Address DN0019, DN0020			2. Address DN0019, DN0020		
3. City DN0021	4. State DN0022	5. ZIP Code DN0023	3. City DN0021	4. State DN0022	5. ZIP Code DN0023
6. Effective Date of Addition DN0304 from parent PC1			6. Effective Date of Addition DN0304 from parent PC1		

SECTION D from PC2 related to parent PC1 Triplicate code = 00-33-56 (one for each related PC2)

List below any DELETED names and/or addresses for the Federal I.D. Number listed in Section A

1. Name of Business DN0018			1. Name of Business DN0018		
2. Address DN0019, DN0020			2. Address DN0019, DN0020		
3. City DN0021	4. State DN0022	5. ZIP Code DN0023	3. City DN0021	4. State DN0022	5. ZIP Code DN0023
6. Effective Date of Deletion DN0304 from parent PC1 Triplicate Code 00-33-56			6. Effective Date of Deletion DN0304 from parent PC1 Triplicate Code 00-33-56		

SECTION E

1. Authorized Signature "EDI Submission"	2. Telephone Number	3. Date Processed Date
LEO is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.	Authority: Worker's Disability Compensation Act of 1969 418.625; R408.41 Completion: Mandatory Penalty: Failure to file is punishable under MCLA 418.631	

WC-403 (1/8/2020)

INSURER'S NOTICE OF NAME OR ADDRESS CHANGE
Michigan Department of Labor and Economic Opportunity
Workers' Disability Compensation Agency
P.O. Box 30016, Lansing, MI 48909

Note: one form for each 1) paired PC1 04/05 triplicate code or 2) Add Employer location(s) or 3) Delete Employer location(s)

INSTRUCTIONS: SEE REVERSE SIDE

SECTION A

1. Employer Federal I.D. Number DN0314 (PC1 with Transaction Set Purpose Code -04)	2. Name of Business DN0017 (PC1 with Transaction Set Purpose Code -04)	
3. Policy Number DN0028 (PC1 with Transaction Set Purpose Code -04)	4. Carrier Federal ID Number DN0006 ((PC1 with Transaction Set Purpose Code -04)	
5. Name of Insurance Company Name related to DN006 from PC1 with Transaction Set Purpose Code -04)		6. ZIP Code of Issuing Office DN0310 (PC1 with Transaction Set Purpose Code -04)

SECTION B

List below any CHANGES to name, mailing address, or legal structure for the Federal I.D. Number listed in Section A

1. Name of Business **(Former)** DN0017 (PC1 with Transaction Set Purpose Code 04-32-84)			1. Name of Business **(New)** DN0017 (PC1 with Transaction Set Purpose Code 05-32-84)		
2. Address DN0315, DN0316 (PC1 with Transaction Set Purpose Code 04-32-84)			2. Address DN0315, DN0316 (PC1 with Transaction Set Purpose Code 05-32-84)		
3. City DN0317 (PC1 with Transaction Set Purpose Code -04-32-84]	4. State DN0318 (PC1 04-32-84)	5. ZIP Code DN0319 (PC1 04-32-84)	3. City DN0317 (PC1 with Transaction Set Purpose Code -05-32-84]	4. State DN0318 (PC1 05-32-84)	5. ZIP Code DN0319 (PC1 05-32-84)
6. Effective Date of Change DN0304 (PC1 with Transaction Set Purpose Code 04-32-84)			7. Legal Status Change to: DN0323 - (PC1 05-32-84) ____Corporation ____Partnership ____Individual ____Limited Liability Co.		

SECTION C from PC2 related to parent PC1 Triplicate code = 00-31-54 (one for each related PC2)

List below any NEW names and/or addresses not previously reported for the Federal I.D. Number listed in Section A

1. Name of Business DN0018			1. Name of Business DN0018		
2. Address DN0019, DN0020			2. Address DN0019, DN0020		
3. City DN0021	4. State DN0022	5. ZIP Code DN0023	3. City DN0021	4. State DN0022	5. ZIP Code DN0023
6. Effective Date of Addition DN0304 from parent PC1			6. Effective Date of Addition DN0304 from parent PC1		

SECTION D from PC2 related to parent PC1 Triplicate code = 00-33-56 (one for each related PC2)

List below any DELETED names and/or addresses for the Federal I.D. Number listed in Section A

1. Name of Business DN0018			1. Name of Business DN0018		
2. Address DN0019, DN0020			2. Address DN0019, DN0020		
3. City DN0021	4. State DN0022	5. ZIP Code DN0023	3. City DN0021	4. State DN0022	5. ZIP Code DN0023
6. Effective Date of Deletion DN0304 from parent PC1 Triplicate Code 00-33-56			6. Effective Date of Deletion DN0304 from parent PC1 Triplicate Code 00-33-56		

SECTION E

1. Authorized Signature "EDI Submission"	2. Telephone Number	3. Date Processed Date
LEO is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.	Authority: Worker's Disability Compensation Act of 1969 418.625; R408.41 Completion: Mandatory Penalty: Failure to file is punishable under MCLA 418.631	

WC-403 (1/8/2020)

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

NOTICE OF TERMINATION OF LIABILITY
Michigan Department of Labor and Economic Opportunity
Workers' Disability Compensation Agency
P.O. Box 30016, Lansing, MI 48909

Note: one for each employer on WDCA database with matching policy/Insurer combination (not previously termed) or Employer being deleted from the multi-entity policy (00-33-56)

INSTRUCTIONS: SEE REVERSE SIDE

1. Employer Federal I.D. Number Active FEIN at time of Policy Cancelation Deleted Employer FEIN (00-33-56)		2. Name of Business(es) Name related to Active FEIN at time of Policy Cancelation Deleted Employer Name (00-33-56)			
3. Owner of Business					
4. Business Address Address related to Active FEIN at time of Policy Cancelation Deleted Employer Address (00-33-56)			5. City City, City	6. State Address state	7. ZIP Code Address zip
8. Carrier Federal I.D. Number DN0006	9. ZIP Code of Issuing Office DN0310			10. Name of Insurance Company Name related to Insurer FEIN (DN0006)	
11. Policy Number DN0018			12. Policy Termination Date DN0304		

13. The policy is cancelled and all business names and addresses operating under the Federal ID Number listed in Item #1 are terminated for the following reason: DN0303

    ____ A. Non-payment of premium

    ____ B. Employer insuring elsewhere

    ____ C. Employer no longer in business

    ____ D. Employer uncooperative

    ____ E. Reason not indicated above ___<Description from Transaction Reason Code>

Failure to maintain required insurance may subject the employer to a fine of $1,000 per day and imprisonment up to six months.

Pursuant to the Worker's Disability Compensation Act, this is to certify that the insurance company carrying the workers' compensation insurance on the above referenced employer has terminated its liability as indicated.

14. Authorized Signature "EDI Submission"	15. Date

LEO is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities	Authority: Worker's Disability Compensation Act of 1969, 418.621(4)(g); R408.41a Completion: Mandatory Penalty: Failure to file is punishable under MCLA 418.631

WC-401 (1/8/2020)

5. PREPARE FOR EDI PARTNERSHIP

At present, the Agency Proof of Coverage EDI program is voluntary. However, we encourage all insurers that are required to submit workers' compensation policy information to the agency explore the possibility of electronic submission.
.
There are several steps that must be undertaken prior to submitting production EDI information to the Agency. The following steps should be completed to become a POC EDI trading partner with the Agency.

5.1 Obtain Proof of Coverage Standards implementation guide

The first step for Insurers to take when considering electronic submissions to the Agency, is to acquire the IAIABC standards documentation for the appropriate release. It is not necessary to be a member of the IAIABC organization to become a trading partner with the Agency. IAIABC, however, does charge a fee for non-member purchase of the implementation guide.

The IAIABC standards documentation contains information that is necessary to identify the data formats and definitions, Business and Technical processes and other supporting information. The easiest way to acquire the IAIABC Proof of Coverage documentation is from its website at https://www.iaiabc.org. IAIABC may also be reached by phone at (608) 841-2017 for additional information.
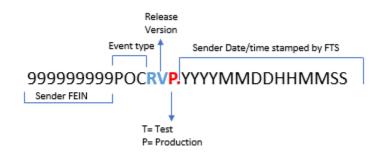
5.2 Complete Partnership agreement

Prospective trading partners are required to complete an Electronic Partnering Agreement to the Agency. Contact the Agency POC EDI coordinator to answer questions and provide assistance with the necessary setup required to submit electronic data with the Agency: LEO-WC-EDI-POC@michigan.gov.

5.3 Prepare EDI batch file for delivery

Inbound File Naming Convention

File naming convention - Incoming files will be date/time stamped by FTS to confirm date of receipt. Files delivered by the sender to the FTS FTP mailbox using the following naming convention: 999999999POC30P

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

5.4 Establish EDI communication method

The Agency allows trading partners to directly connect to the State of Michigan DTMB FTS FTP server using secure FTP via SSL/TLS encryption or SFTP. Trading partners are permitted to send and receive EDI transmissions at any time.

File Transfer Service (FTS) Requirements:
- An FTP Mailbox must be setup for file transfers. An IP Address, USER ID, password and pickup/delivery instructions will be provided.
- EDI transaction files should be 128 bit encrypted and should be transferred by FTP to the Gateway via SSL/FTP.
- The file transfer mode must be ASCII (not Binary).
- File naming conventions have been developed to designate "Test" or "Production" transaction files. File transfers must comply with these naming conventions.

5.5 Test the EDI transaction submission process

Michigan Paper coverage reporting process <u>should not be discontinued</u> until the Sender has received written approval for production by the Agency's POC EDI Test Coordinator.

Header records (Transaction Set ID "HD1" (DN0001)) should specify a "T" in the Test/Production (TP) code field (DN0104). Test files that are from an unexpected trading partner (unknown account) or that do not follow the guidelines for testing will generate an acknowledgment for a rejected batch (Application Acknowledgment Code "HD"). Senders must successfully meet the Agency's test criteria before being approved to send production files.

A. A successful transmission will consist of one or more correctly structured batches including Header, Detail and Trailer records.
B. A minimum of 3 consecutive transmission days of filings on behalf of the Insurer with 100% accuracy of mandatory data elements and structuring of records. Although there may be rejections based on relationship to the Agency's database, there should be no rejections for missing mandatory fields.
C. The Agency is prepared to accept IAIABC POC standard triplicate codes indicated in the following list. Before an insurer is approved for production, the Agency must acknowledge successful completion of a sufficient number of transaction types based on volume of policies. Volume of required transaction types will be determined by Agency staff when Carrier requests electronic POC reporting*.
   i. Issuances (400 equivalent), including single and multiple entity policies
   ii. Changes (403 equivalent), including changes to
      - Name, Address or Legal Structure change
      - new name or address addition
      - Name or address deletion
   iii. Cancellations (401 equivalent), including single and multiple entity policies.
*Note: carriers in production with 2.1 version will only need to test 403 equivalents for 3.0 version

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

Triplicate Code	Description	Agency form equivalent
00-10-01	New Policy-w/Phys Loc	400
00-10-80	New Policy-No Phys Loc	400
00-10-86	New Policy-Emplr w/o Juris Addr	400
00-20-01	Renewal-w/Phys Loc	400
00-20-80	Renewal-No Phys Loc	400
00-20-86	Renewal-Emplr w/o Juris Addr	400
00-70-01	Reinstatement	400
00-31-54	Add Employer location within jurisdiction	403/400
00-33-56	Delete Location(s)	403/401
04-32-84	Change Insured Demographics	403
05-32-84	Change Insured Demographics	403
04-32-85	Change Employer Demographics w/location	403
05-32-85	Change Employer Demographics w/location	403
04-32-94	Change Employer Demographics w/o location	403
05-32-94	Change Employer Demographics w/o location	403
00-41-16	Canc - Failure to Comply with Audit	401
00-41-20	Canc at Request of Finance Company	401
00-41-23	Canc - Failure to Submit Payroll Info	401
00-41-59	Canc-Insr/Non-Payment	401
00-41-64	Canc-Insr/Underwriting Reason	401
00-41-66	Canc-Insr/Revoc of Vol Mkt Accept	401
00-41-69	Canc-Insr/Failure to Pay Deduct	401
00-41-70	Canc-Insr/Misrep of Info on App	401
00-41-71	Canc-Insr/Rewrite/Reissue	401
00-42-01	Canc-Insd/Reason Unknown	401
00-42-45	Canc-Insd/Out of Business	401
00-42-60	Canc-Insd/Cov Placed Elsewhere	401
00-42-61	Canc-Insd/Duplicate Coverage	401
00-42-62	Canc-Insd/Change of Ownership	401
00-42-65	Canc-Insd/ No EEs/NoExp/No Ops	401
00-60-01	Non-Renew-Insd/Reason Unknown	401
00-60-45	Non-Renew-Insd/Out of Business	401
00-60-59	Non-Renew-Insr/Non-payment	401
00-60-60	Non-Renew-Insd/Cov Placed Elsewhere	401
00-60-62	Non-Renew-Insd/Change of Ownership	401
00-60-64	Non-Renew-Insr/Underwriting Reason	401
00-60-65	Non-Renew-Insd/ No EEs/NoExp/No Ops	401

D. The Agency may request a WCPOLS raw data file and the IAIABC transactions for each of the following WCPOLS transaction types to ensure that the information is mapped correctly and contains all the mandatory data elements (refer to WCPOLS mapping in the Appendix):

Test	Transaction Code	Type of Address
a	01	Address Code 1 and 2
b	01	Address Code 1
c	01	Address Code 1 and 2
d	02	Address Code 1 and 2
e	02	Address Code 1
f	02	Address Code 1
g	06	Address Code 1 and 2
h	06	Address Code 1

5.6 Review EDI statistics between the Agency and potential trading partner

During the testing phase of POC EDI qualification with the trading partner, statistics will be gathered about the quality of the data being submitted. The EDI statistics will be reviewed and analyzed by the POC EDI coordinator to determine whether they meet the acceptable criteria necessary to approve the trading partner to submit data electronically to the Agency's production environment.

5.7 Full production implementation of electronic submissions

After successfully completing the testing requirements, the EDI coordinator will enable the trading partner's account in the production EDI environment. After the trading partner's account has been enabled, the EDI coordinator will contact the trading partner's EDI representative to inform them they are able to submit their Proof of Coverage reports electronically into the Agency's production environment.

5.8 Processing of Proof of Coverage in production

When the Agency EDI coordinator has enabled the trading partner's account for production processing, the EDI transmissions should be directed to the Agency's production EDI environment. The header records (Transaction Set ID "HD1" (DN0001) in the EDI batch should specify a "P" in the Test/Production code field (DN0104). The submission of paper forms on post implementation date claims can be discontinued or submitted on an exception basis.

6. MAINTAINING PRODUCTION STATUS

The Agency will continue to monitor EDI data quality for approved Insurers throughout the Trading Partner relationship. If the Insurer's data quality falls below the Agency's data quality requirements for five (5) consecutive transmissions, paper reporting must be resumed until test results are within satisfactory limits of acceptance rates.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

7. POC EDI FREQUENTLY ASKED QUESTIONS (FAQs)

1. **Are electronic submissions of Proof of Coverage mandated in the state of Michigan?**

   At present, the Agency Proof of Coverage EDI program is voluntary. However, we encourage all insurers that are required to submit workers' compensation policy information to the agency explore the possibility of electronic submission.

2. **Can multiple batches be sent in a single EDI transmission file?**

   Yes. Multiple batches can be sent in a single EDI transmission file. Acknowledgments for each batch will also be returned in a single acknowledgment transmission file when multiple batches are processed.

3. **Does the Agency always send electronic acknowledgments?**

   Yes. One Acknowledgment record is returned when the entire batch is rejected. An acknowledgment transaction (AKP) is generated for each PC1 or PC2 record within an accepted batch. The acknowledgment file will contain a header transaction (HD1) as the first record and a trailer transaction (TR1) as the last record in the file.

4. **How often should EDI data be transmitted?**

   This is generally dictated by the statutory reporting requirements. Each trading partner can schedule its EDI data files to be transmitted at any time, however, only transmissions received before 11 pm on business days will be processed on the day received. Those received after that time will be processed on the next business day.

5. **Does the trading partner need to continue filing paper proof of coverage forms?**

   The trading partner will be required to continue filing paper forms with the Agency while testing the EDI process. After production approval occurs, the paper submission of 400, 401 and 403s can be limited to exception basis. However, statutory and regulatory requirements must still be met that specify the sending of Agency forms.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

8. APPENDIX – WCPOLS FILING GUIDELINES

8.1 Filing suggestions

a. It is strongly recommended that carriers submit transmissions to EDI Sender daily.

b. The agency's received date (for 20 day notice on cancellations, etc.) will be the date the electronic filing is received from EDI Sender, unless specifically rejected by our agency.

c. If possible, carriers should avoid filing multiple transactions for a policy in one transmission.

d. When multiple transactions for a policy are necessary, it is imperative that they be sent in logical business event sequence.

e. If transactions are not received in the correct order, they may be rejected or cause coverage problems by being loaded out of sequence in the agency's database (i.e., if a policy is cancelled flat, the policy issuance should occur first in the transmission and then the cancellation. If these transactions were sent in reverse order, the cancellation would get processed first and would be rejected because the agency would not have a record of the policy issuance. The issuance would then be accepted and loaded to the database as open coverage.)

8.2 Legal Entities

The following Guidelines apply depending on the Legal Entity Type of the Insured		
Individual	01	1 - Personal Name Type. A Personal Name must be formatted correctly (see Type of Name Record Code above) or the transaction will be rejected. String format is not allowed. Only one personal name record is allowed. The insured should be the individual. The Name Link Identifier should be 001.
Partnership	02	There must be more than one unique name record or the transaction will be rejected. If a partner is an individual, the name must be formatted as a Personal Name Type (see Type of Name Record Code above). If a partner is not an individual, the name must be formatted as Commercial.
Corporation	03	2 - Commercial Name Type. The name should include one of the following words (or abbreviations) - Corporation, Company, Incorporated or Limited. Professional Corporations should have Professional Corporation or PC in the name. Do not report name records for corporate officers.

The following Guidelines apply depending on the Legal Entity Type of the Insured		
Limited Liability Company (Limited Liability Corporation is not a legal entity type)	10	2 - Commercial Name Type. The name should include one of the following - LLC, LC, or Limited Liability Company. If it is a Professional Limited Liability Company, it should have one of the following - Professional Limited Liability Company, PLLC or PLC. These are not corporations and should not have Corporation in the name. Do not report name records for members or managers.
Limited Partnership	05	2 - Commercial Name Type. Should contain Limited Partnership in the name (No abbreviation).
Limited Liability Partnership	13	2 - Commercial Name Type. Should contain Limited Liability Partnership or LLP in the name.
Trust	11	2 - Commercial Name Type. Must contain the word Trust in the name.
Estate	11	2 - Commercial Name Type. Must contain the word Estate in the name.
Joint Venture - This is the result of 2 businesses going together to conduct a single business event.	06	2 - Commercial Name Type. Should contain the words Joint Venture in the name.
Association, Union, Religious Organization	04	2 - Commercial Name Type.
Governmental Entity	14	2 - Commercial Name Type

The following Guidelines apply to all Legal Entity Types	
Legal Nature of Insured Code	The Header record must include the Legal Nature of Insured code for the primary name on the policy.
Legal Nature of Entity Code	Each name record must include a Legal Nature of Entity code. All name records under a FEIN must have the same code.
Type of Name Record Code	1 - Personal Name Type or 2 - Commercial Name Type only. String format is not allowed. A Personal Name must be formatted as Last Name, First Name OR Last Name, First Name, Middle Name OR Last Name, First Name, Middle Initial or the transaction will be rejected.
Name Record	If "Etal" is used in a Name Record, the transaction will be rejected. We must have a separate name record for each name on the policy. Each name record must be unique under a FEIN.
Name Link Identifier	Each name should have a separate Name Link Identifier to link the specific address(es) to a name. The primary name on the policy must be reported as 001.

Michigan Proof of Coverage Release 3.0 EDI Implementation Guide

The following Guidelines apply to all Legal Entity Types	
Continuation Sequence Number	If multiple name records have the exact same addresses associated with them, the Continuation Sequence Number should be used to identify each name under a name link. If each name has a separate Name Link Identifier, this field will be reported as 001.
Mailing Address	One mailing address is required. Type of Address Code 1 is used to identify the mailing address. If the mailing address is not a physical location (PO Box, RR, Drawer, PMB, etc.), a Type of Address Code 2 is required if there are physical locations in Michigan. If there are no physical locations in Michigan, an out-of-state mailing or physical address is required.
Physical Address	If the mailing address is also a physical address, it should not be repeated.
Multi Entity Policy (More than 1 FEIN)	The first address associated with the first occurrence of a unique FEIN should be the lead address. The first name record for each unique FEIN should be the lead name for that FEIN. This will ensure that the correct legal name of the employer can be identified on the State of Michigan's database. This will be the name displayed on the Carrier's Notice of Termination. Each name record must be unique under a FEIN.
Commercial Names	2 - Commercial Name Type. A separate name record is required for each commercial name on a policy. Do not include DBA, TA, AKA, FKA, etc. as they are not part of the legal name. If a commercial name has unique addresses, it should have a unique Name Link Identifier.

8.3 Name and Address Mapping

Policy Information

FEIN 381111111	
Quality Carpets Inc	PO Box 123 Lansing Mi 48910 258 Main St Lansing MI 48910
Creative Flooring	258 Main St Lansing MI 48910
	487 Capital Lansing MI 48910
Marys Countertops No Michigan location	237 Massillon Rd Akron OH 44320
FEIN 382222222 Mary Jones dba Jones Vinyl	487 Capital Lansing MI 48910
	487 Capital Lansing MI 48910

WCPOLS Records

Name Records	Name Link Identifier	Continuation Seq #	
Quality Carpets Inc	001	001	Primary name is always 001/001
Creative Flooring	002	001	
Jones, Mary	003	001	These 2 have the exact same addresses so they have the same name link
Jones Vinyl	003	002	
Marys Countertops	004	001	

Address Records	Name Link Identifier	Address Type	
PO Box 123 Lansing MI 48910	001	1	The mailing address is a PO Box so an address type 2 is required for name link 001. The same address will appear more than once if it associated with more than one name link. The first address for a unique FEIN should be the mailing or lead address.
258 Main St Lansing MI 48910	001	2	
487 Capital Lansing MI 48910	002	2	
487 Capital Lansing MI 48910	003	2	
258 Main St Lansing MI 48910	002	2	
487 Capital Lansing MI 48910	003	2	
237 Massillon Rd Akron OH 44320	004	2	No Michigan location. Out-of-state address should be reported

This will map to a 00-XX-01 because every FEIN in the transaction has a Type of Address = 2. All records under a FEIN must be kept within the same

IAIABC Records

00-XX-01

PC1	Quality Carpets Inc PO Box 123 Lansing MI 48910
PC2	Quality Carpets Inc PO Box 123 Lansing MI 48910
PC2	Quality Carpets Inc 258 Main St Lansing MI 48910
PC2	Creative Flooring 258 Main St Lansing MI 48910
PC2	Creative Flooring 487 Capital Lansing MI 48910
PC2	Jones Vinyl 487 Capital Lansing MI 48910
PC2	Jones, Mary 487 Capital Lansing MI 48910
PC2	Marys Countertops 237 Massillon Rd Akron, OH 44320

If an Individual or Partnership has one or more Commercial

The 1st PC2 record is the employer information for PC1

400 Equivalents

FEIN 3811111		
Name	Quality Carpets Inc	
Address	PO Box 123 Lansing Mi 48910	
Additional names & addresses		
	Quality Carpets Inc	258 Main St Lansing MI 48910
	Creative Flooring	258 Main St Lansing MI 48910
	Creative Flooring	487 Capital Lansing MI 48910
	Marys Countertops	237 Massillon Rd Akron OH 44320
FEIN 382222222		
Name	Jones Vinyl	
Owner	Jones, Mary	
Address	666 Turner St Lansing MI 48910	
Additional names & addresses		
	Jones Vinyl	487 Capital Lansing MI 48910

A separate 400 is required for each FEIN

8.4 Exposure Only Examples

Policy Information

FEIN 381111111	
Quality Carpets Inc	PO Box 123 Lansing Mi 48910
	258 Main St Lansing Mi 48910
Creative Flooring	258 Main St Lansing Mi 48910
	487 Capital Lansing Mi 48910
FEIN 383333333	
Foundation Constructions Inc No Michigan location	237 Massillon Akron Ohio 44320

WCPOLS Records

Name Records	Name Link Identifier	Continuation Seq #	Comments
Quality Carpets Inc	001	001	
Creative Flooring	002	001	
Foundation Construction Inc	003	001	Michigan exposure only
Address records	Name Link Identifier	Address Type	Comments
PO Box 123 Lansing Mi 48910	001	1	
258 Main St Lansing Mi 48910	001	2	
487 Capital Lansing Mi 48910	002	2	
258 Main St Lansing Mi 48910	002	2	
237 Massillon Akron Ohio 44320	002	2	Foundation Constructions has no locations in Michigan. The out-of-state address mailing or physical address should be reported.

This policy provides an example of an Insured and employer with locations in Michigan and an employer with exposure only. This policy should be reported on 00-10-01 triplicate.

IAIABC Records

00-10-01	FEIN	Name/Address
PC1	381111111	Quality Carpets Inc PO Box 123 Lansing Mi 48910
PC2	381111111	Quality Carpets Inc PO Box 123 Lansing Mi 48910
PC2	381111111	Quality Carpets Inc 258 Main St Lansing Mi 48910
PC2	381111111	Creative Flooring 258 Main St Lansing Mi 48910
PC2	381111111	Creative Flooring 487 Capital Lansing Mi 48910
PC2	383333333	237 Massillon Akron OH 44320

If the only 2 entities on the policy were Quality Carpets Inc and Foundation Construction Inc and neither had locations in Michigan, the Out-of-state address should be reported for both.

IAIABC Records

00-10-01	FEIN	Name/Address
PC1	381111111	Quality Carpets Inc 237 Massillon Akron OH 44320
PC2	383333333	Foundation Construction Inc 237 Massillon Akron OH 44320