# PERFORMANCE STANDARDS FOR ASSIGNED CARRIERS

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# PERFORMANCE STANDARDS FOR ASSIGNED CARRIERS

## INTRODUCTION

The following are the minimum Performance Standards for Servicing Carriers and Voluntary Direct Assignment Carriers. These Performance Standards apply whether a carrier performs the services in-house or contracts with outside service providers. Performance Standards that apply to both Servicing Carriers and Voluntary Direct Assignment Carriers will reference "assigned carriers." Certain Performance Standards are only applicable to Servicing Carriers and will be identified as such. Assigned carriers are also responsible for complying with all statutes, regulations, and Pool rules.

Failure to maintain these Performance Standards may result in penalties being imposed upon the assigned carrier by the WCRIBMA in accordance with the Pool Plan of Operation. An assigned carrier's failure to maintain these Performance Standards could be used as a factor in determining whether a Servicing Carrier's or Voluntary Direct Assignment Carrier's designation should be rescinded.

Audits of Servicing Carriers to establish compliance with the Performance Standards may be conducted in person or remotely. During an audit, each Servicing Carrier shall locate and provide all files, or exact duplicates, within the time allotted by the Pool Administrator or its auditors appointed pursuant to Section 3 of Appendix D, Determining the Servicing Carrier Fee. Failure to provide such files will result in the effects described in Section 4 of Appendix C, Translating Compliance Ratios into an Effect on the Servicing Carrier Fee. Assigned carriers should maintain documentation in their files to provide to the auditors evidence of compliance, or attempted compliance, with these Performance Standards.

The definitions found in Article II of the Plan are applicable to these Performance Standards.

With regard to the time standards included in these Performance Standards, the day following the date of receipt, issuance, or other required action is counted as the first day.

Section F of this Appendix contains a Table of Time Standards, which includes:

- An alphabetical listing of Subjects and Document Types,
- Recipients for each type of mailing
- Media options for each type of mailing
- Performance Standard or statutory references
- Timeframes, and
- Notes.

# A. UNDERWRITING AND AUDIT

## 1. POLICY ISSUANCE

a. General Information

Assigned carriers shall have operational responsibility for issuing policies accurately, utilizing forms prescribed by the WCRIBMA and/or approved by the Commissioner.

Assigned carriers must attach the most recently approved version of the following endorsements onto all Massachusetts assigned risk policies:

(1) WC000414 Notification of Change in Ownership Endorsement
(2) WC000422 Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement
(3) WC200301 MA Limits of Liability Endorsement
(4) WC200302 MA Assessment Charge
(5) WC200303 MA Notice to Policyholder Endorsement
(6) WC200306 MA Limited Other States Insurance Endorsement
(7) WC200307 MA Assigned Risk Pool Eligibility Endorsement
(8) WC200405 MA Premium Due Date Endorsement
(9) WC200601 MA Cancellation Endorsement
(10) WC200604 MA Policy Definition Endorsement

All policies shall be issued in consideration of premiums and additional fees and charges as may be authorized by the WCRIBMA and approved by the Commissioner. Premium shall be calculated in accordance with the MA Manual, Appendix F, Massachusetts Residual Market Premium Algorithm. Assigned carriers shall not impose unauthorized charges to the policyholder to defray costs or for any other reason.

All policies must have the proper experience rating applied, in accordance with the approved rules of the Experience Rating Plan Manual and the published Massachusetts Exceptions.

Assigned carriers are responsible for maintaining adequate safeguards to assure their compliance with all statutes, regulations, pool procedures, these Performance Standards, and all terms and conditions of the policy contract, including endorsements.

b. New Business

(1) Within five (5) business days of the assigned carrier's receipt of the Notice of Assignment from the WCRIBMA, it must send a notice to the policyholder and producer that includes:

i. Assigned carrier telephone numbers

ii. Key contact information

iii. Information on where and how to file claims

iv. Where and how to obtain certificates of insurance

v. The policy number or other means of policy identification

vi. Request for policyholder's permission to receive electronic correspondence as allowed by law or regulation.

(2) The policy will be accurately issued and sent to the policyholder and producer of record within thirty (30) days from the date the Notice of Assignment, required premium, and properly completed application are received from the WCRIBMA.

(3) If the application sent by the WCRIBMA to the assigned carrier along with the Notice of Assignment is not properly completed, any missing information shall be requested from the producer of record and/or the policyholder.

(4) If a question of eligibility arises, the assigned carrier shall contact the WCRIBMA. If the employer is found to be ineligible for assigned risk coverage, the time standard for policy issuance is suspended as of the date of documented contact with the WCRIBMA. If the assigned carrier cannot resolve the eligibility issue within five (5) days of contacting the WCRIBMA, the carrier must notify the WCRIBMA immediately, and the WCRIBMA will advise if the coverage should be rescinded or the policy should be cancelled. The time standard for issuance of the policy restarts on the date the resolution of the eligibility issue is communicated by the assigned carrier to the WCRIBMA. When the time standard is restarted, the assigned carrier has the balance of the thirty (30) day time period or ten (10) days, whichever is greater, to issue the policy.

c. Renewals/Non-Renewals

(1) At least forty-five (45) days, but not more than one hundred (100) days prior to the expiration of the policy, the assigned carrier shall send a renewal proposal as appropriate to the policyholder and the producer of record and retain a copy of the proposal for its record. The renewal proposal must contain the following:

i. The expiration date of the current policy.

ii. The amount of the deposit premium.

iii. The due date for the deposit premium, which shall be twenty (20) days prior to the current policy's expiration date ("Due Date").

iv. The following statement: "Payment of the deposit premium will constitute the employer's acceptance of and agreement to the terms and conditions of the policy."

v. An offer of medical and indemnity benefits deductibles. (In accordance with MA 211 CMR 115.00, assigned carriers must offer medical and indemnity benefits deductibles on all assigned risk policies.)

(2) If the required deposit premium is postmarked by the Due Date, the assigned carrier will issue and send to the policyholder and producer of record an accurate renewal policy within thirty (30) days after the receipt of the required deposit premium. If the postmark date is not legible, the receipt date should be utilized.

(3) If the required deposit premium is not postmarked by the Due Date, the assigned carrier must send a Notice of Non-Renewal to the policyholder, the producer of record, and the WCRIBMA. The Notice of Non-Renewal must include the reason for nonrenewal and must state, "Your policy will terminate on the policy expiration date, xx/xx/xxxx." (Provide the exact date.) The Notice of Non-Renewal must be sent in enough time so that the policyholder and the WCRIBMA receive the Notice at least ten (10) days prior to the expiration date of the current policy. The assigned carrier must, at a minimum, retain for its records a certificate of mailing receipt from the United States Postal Service showing the name and address of the insured as stated in the policy.

## 2. PAYROLL AND CLASSIFICATION VERIFICATION

a. Assigned Carrier Review

Prior to the issuance of a policy, and during the policy period as new information becomes available, the assigned carrier shall review the name of the business, the description of operations, the payroll and classification codes, and any information the assigned carrier has available to ensure that the policy premium being charged is reasonable.

b. Accuracy of Exposure Base and Classification

When there is reason to doubt the accuracy of the annual exposure base or whether the policyholder has been properly classified, the assigned carrier shall verify the information provided through interim audit or by obtaining additional information from the policyholder. The carrier should make sound underwriting judgments in adjusting the annual exposure.

If the assigned carrier has reason to believe that the risk is improperly classified, the carrier shall provide the WCRIBMA with sufficient information to determine whether a classification change is appropriate. Assigned carriers are not required to notify the WCRIBMA before adding or deleting classifications for temporary employment agencies or construction operations.

The assigned carrier shall consider the effects of inflation, economic trends in the insured's industry, employment level changes in the policyholder's operation, and utilize the latest

available audit and claim history information to develop current policy premium and deposit premium.

During the policy term, the assigned carrier may discover or receive, either through audit, claim information, loss control survey, or other means, verifiable payroll information that is not consistent with the annual exposure base or classification information that raises doubts about the accuracy of the policy's classifications. Within thirty (30) days of the discovery of the inconsistent payroll or classification information, the assigned carrier must investigate and decide whether a change is necessary and determine a course of action.

## 3. ENDORSEMENTS

a. When an endorsement is requested by the policyholder, the assigned carrier must:

(1) Within ten (10) days of the receipt of the request, either:

i) Issue a denial of the endorsement along with an explanation of the reason(s) of the denial, or

ii) Request any additional information that may be required. The request should state that if the additional information is not received within twenty (20) days of the assigned carrier's request, the endorsement request will not be honored.

(2) Accurately issue the endorsement within ten (10) days of the receipt of the request or all requested information.

b. When it is determined by the assigned carrier that an endorsement is necessary, the carrier must issue such endorsement within ten (10) days of making that determination. The assigned carrier must have procedures in place to compare final audit reports with renewal payrolls and other information to determine if any additional endorsements are necessary. The assigned carrier must issue an additional premium endorsement if the additional premium generated is at least $500 or 25% of the estimated annual premium, whichever is the lesser amount.

## 4. CANCELLATIONS

a. Cancellations Initiated by the Policyholder or Their Authorized Representative

Written requests for cancellation submitted by the policyholder or their authorized representative (for example, the producer of record or finance company with Power of Attorney) must be processed and a Notice of Cancellation must be issued and mailed within five (5) business days after the receipt of the request and required documentation.

The effective date of the cancellation must be determined by the assigned carrier to ensure that either:

(1) ten (10) days' written notice of such cancellation is given to the WCRIBMA in accordance with Performance Standard E.1., or

(2) the cancellation date coincides with a record of replacement coverage that is on file with the WCRIBMA.

A Notice of Cancellation, reflecting the reason and effective date of cancellation, must be sent to the WCRIBMA, the policyholder, and any authorized representative or finance company.

The assigned carrier must, at a minimum, retain for its records a certificate of mailing receipt from the United States Postal Service showing the name and address of the policyholder as stated in the policy.

b. Cancellations Initiated by the Assigned Carrier

(1) Statutory Reasons

Cancellation and notification procedures will be initiated by the assigned carrier in accordance with M.G.L. c.152, §§ 63 and 65B, in the following cases as permitted by § 55A:

(i) nonpayment of premium

(ii) fraud or material misrepresentation affecting the policy or insured; or

(iii) a substantial increase in the hazard insured against.

For cancellations for nonpayment of premium, refer to Performance Standard A.8., Billings.

(2) Loss of Eligibility

In accordance with the Massachusetts Assigned Risk Pool Eligibility Endorsement, WC200307, the policyholder's compliance with the following eligibility requirements is material to the continuation of assigned risk pool coverage. If the policyholder ceases to comply with any of the conditions described in the Massachusetts Assigned Risk Pool Eligibility Endorsement, the assigned carrier may initiate a mid-term cancellation in accordance with the following.

| **If the policyholder fails to…** | **And the assigned carrier cancels the policy, then the assigned carrier must…** |
|---|---|
| Fully cooperate with attempts to conduct premiums audits or inspect the premises for loss control purposes, … | Report the cancellation citing the reason 'Material Misrepresentation / Fraud' (WCIO reason code #21). |
| Keep records of information needed to compute premium and provide the | Report the cancellation citing the reason 'Material Misrepresentation / Fraud' (WCIO reason code #21). |

| | |
|---|---|
| assigned carrier with copies of those records when asked for them, … | |
| Comply with the assigned carrier's reasonable, critical loss control recommendations<br>(See Performance Standard C.4.), … | Report the cancellation citing the reason 'Material Misrepresentation / Fraud'<br>(WCIO reason code #21). |
| Allow the assigned carrier to make a careful inspection of their operation for the purpose of measuring the hazards, making recommendations for the health and safety of employees and determining the rate or rates which will be adequate and reasonable for the policy, … | Report the cancellation citing the reason<br>'Material Misrepresentation / Fraud'<br>(WCIO reason code #21). |

In instances of the policyholder's failure to cooperate with the carrier's right to conduct a premium audit, before they can initiate mid-term cancellation, the assigned carrier must make two good faith attempts to audit, one for which they must retain for their records a certificate of mailing receipt from the United States Postal Service.

(3) Effective Date of Cancellation

The effective date of the cancellation must be determined by the assigned carrier so that ten (10) days' written notice of such cancellation is given to the WCRIBMA and the policyholder.

(4) Notice and Reporting Requirements

A Notice of Cancellation, reflecting the reason and effective date of cancellation, must be sent to the WCRIBMA in accordance with Performance Standard E.1., the policyholder, and any authorized representative or finance company known to the assigned carrier at the time the Notice of Cancellation is being sent. If the cancellation is due to non-payment of premium, the amount due must be shown on the Notice of Cancellation.

The assigned carrier must, at a minimum, retain for its records a certificate of mailing receipt from the United States Postal Service showing the name and address of the policyholder as stated in the policy.

Assigned carriers must report non-compliance and subsequent compliance to the WCRIBMA in accordance with Performance Standard E.2.

## 5. REINSTATEMENTS

A request for reinstatement must be accepted or denied and communicated to the WCRIBMA in accordance with Performance Standard E.1., to the policyholder and any authorized representative or finance company, within five (5) business days after receipt of:

a. The request for reinstatement,
b. The receipt of funds satisfying the premium obligation, or
c. The receipt of the item correcting the fault that caused the issuance of the Notice of Cancellation.

If an assigned carrier notified a Certificate Holder named on a Certificate of Insurance of a pending cancellation, and that policy is subsequently reinstated, then the carrier must also notify the Certificate Holder of the reinstatement within five (5) business days of issuance.

## 6. CERTIFICATES OF INSURANCE

If the policy has been issued, and the assigned carrier has been requested to issue a Certificate of Insurance, the assigned carrier will issue and distribute a Certificate of Insurance by email or facsimile to each contact provided, within two (2) business days of its receipt of a fully and accurately completed Massachusetts Assigned Risk Pool Request for Certificate of Insurance Form or a like form, where the first day is defined as the day after the request was received. If no email address or fax number is provided for a person or persons to whom the Certificate of Insurance should be issued, then the assigned carrier will mail the Certificate of Insurance to the mailing address(es) provided on the form, if any.

For new business where the policy has not yet been issued, the time standard is ten (10) days from the date the assigned carrier is in receipt of both:

a. the assignment package and deposit premium from the WCRIBMA and
b. a fully and accurately completed Massachusetts Assigned Risk Pool Request for Certificate of Insurance Form or a like form.

Assigned carriers must not authorize producers of record or other parties to issue Certificates of Insurance.

## 7. PRODUCER FEES

Producers of record with valid individual or business entity Massachusetts producers' licenses will be paid by the assigned carrier as premium is collected, except that premium collected by a collection agency or an attorney engaged and remunerated by the assigned carrier will not be subject to a producer fee. The following fee schedule is applicable to assigned risk policies:

| PRODUCER FEE SCHEDULE | |
|---|---|
| First $1,000 | 9% of Standard Premium |
| Next $4,000 | 5% of Standard Premium |
| Next $95,000 | 4% of Standard Premium |
| Over $100,000 | 3% of Standard Premium |

The assigned carrier is required to process and send fee payments within thirty (30) days from the date the policy is issued or thirty (30) days from the receipt of premium, whichever is later. The fee payment may also be applied to commissions which the producer owes to the carrier from other assigned risk policies.

## 8. BILLINGS

a. Billing Cycle

Assigned Carriers should complete billing procedures within forty-five (45) days for premium or deductible balances due, installments, interim audits, endorsements, and final audits. The forty-five (45) day billing cycle begins on the date of the billing and includes thirty (30) days from the date of billing and a fifteen (15) day period for follow up.

b. Billing Statements

(1) Amounts due less than $100 will not be required to be billed, excluding final billing, until the cumulative amount of premium due for a single policy period exceeds $100.

(2) Billing statements for additional premium of $100 or greater shall be mailed within ten (10) business days of posting the transaction on assigned carriers' records. If billing is on an installment basis, and an installment is due within the next thirty (30) days, the additional premium may be allocated among all remaining installments.

(3) Assigned carriers' billing statements must indicate that the amount due must be *received* by the due date (as opposed to being *postmarked* by the due date).

(4) Assigned carriers' billing statements must include a clear explanation of the bill and specific information on how the policyholder may inquire about the billing determination.

(5) Assigned carriers' billing procedures, where all or a portion of the amount due is disputed, shall include prompt redetermination of the amount due and reasonable explanation of the basis for the billing, as necessary; as well as information on how the employer may appeal the billing determination.

c. Collection Attempts

Servicing Carriers must make at least two (2) documented attempts to collect the premium within the billing cycle. Billings, notifications of delinquent accounts, cancellation notices and telephone contact are all considered attempts to collect.

On all accounts with an outstanding balance of $10,000 or more, a documented phone call to the policyholder must be made by the Servicing Carrier in addition to the initial billing and one written follow-up collection attempt.

d. Cancellation

If payments for current or prior policies are not postmarked within forty-five (45) days from the date of mailing the billing statement, the assigned carrier should implement cancellation procedures in accordance with the provisions of M.G.L.. c.152, §§ 55A, 63 and 65B. Note that if the postmark date is not legible, then the assigned carrier must rely on the receipt date. Notices of Cancellation must be mailed in accordance with Performance Standard A.4b.

The policy may not be cancelled if:

- A payment plan has been signed by the policyholder and the assigned carrier, and all payments have been received in accordance with their payment plan;
- A bona fide dispute exists and the assigned carrier has received the non-disputed premiums;
- The premium due was not billed or is not delinquent: or
- The premium amount due shown on the Notice of Cancellation is received on or before the policy termination date.

e. Return Premium

Return premium adjustments will be sent by the assigned carrier within ten (10) business days of recording on assigned carrier records.

Any return premium checks shall be made payable to the policyholder, unless a valid power of attorney is on file, in which case the return premium checks shall be made payable to the party with power of attorney. The check shall be mailed to the payee.

In cases in which a financed policy is cancelled midterm and the policyholder does not cooperate with audit requests, the assigned carrier may not retain more than three (3) times the prorated premium, with a short rate penalty applied, unless the assigned carrier has evidence that the original premium estimate was significantly deficient. The balance of the premium shall be returned to the finance company.

The check shall be made on the gross amount of the return premium, unless the policyholder owes the assigned carrier premium on other Massachusetts assigned risk workers' compensation policies. In that case, the assigned carrier shall either return or bill the net of the return premium and the owed premium, as appropriate.

A bill for the unearned commission shall be sent to the producer of record, or an offset may be made against other commissions due to the same producer from the assigned carrier on other assigned risk business.

## 9. COLLECTION AGENCY PROCEDURES

| Premium Past Due | Collection Activity |
|---|---|
| $0 - $999 | Collections are important but are at Servicing Carrier discretion. |
| $1,000 and Over | Uncollectible accounts must be referred by the Servicing Carrier to a collection agency on file with the WCRIBMA for further collection activity within fifteen (15) days of the completion of the forty-five (45) day billing cycle, unless:<br>• potential for imminent settlement is evident, or<br>• the premium is in dispute and the dispute is being actively resolved.<br>Servicing Carriers must obtain preapproval from the WCRIBMA to refer to outside counsel instead of pursuing collection activity.<br>An uncollectible account must have been with a collection agency for at least sixty (60) days from the date of referral by the Servicing Carrier before the servicing carrier can report the initial chargeback in accordance with Performance Standard E.3. |

## 10. AUDITS

a. Physical Audit

A Physical Audit is defined as an audit of payroll, whether conducted at the policyholder's location or virtually at a remote site, that is based upon an auditor's examination of the policyholder's books of accounts and original payroll records (in either electronic or hard copy form) as necessary to determine and verify the exposure amounts by classification. Any review of the records that is conducted virtually must include interaction with the insured or their authorized representative.

b. Preliminary Physical Audits

A Preliminary Physical Audit ("PPA") must be completed by the assigned carrier for those policyholders that qualify in accordance with Performance Standard A.10e and must be completed within 120 days of the policy effective date, or receipt of assignment, whichever is later.

Exception: The MA Manual, Rules IX-E and IX-F, require that all carriers audit policies issued to employee leasing companies and Professional Employer Organizations within ninety (90) days of the policy effective date.

Prior to PPAs, auditors must be provided access to complete policy information, including but not limited to payroll and claims data, experience rating factors, adverse loss conditions, suspected payroll and classification discrepancies.

If the policyholder did not qualify for a PPA at policy issuance but the policy was endorsed within 120 days of the policy effective date and now meets the PPA requirement, then the assigned carrier must conduct the PPA within seventy-five (75) days of the endorsement date.

If the policyholder did qualify for a PPA at policy issuance but the policy was endorsed within 120 days of policy issuance and no longer qualifies for a PPA, then the assigned carrier is not required to conduct the PPA.

c. Final Physical Audits

Final Physical Audits must be completed by the assigned carrier for those policyholders that qualify in accordance with Performance Standard A.10f.

Prior to Final Physical Audits, auditors must be provided access to complete policy information, including but not limited to payroll and claims data, experience rating factors, adverse loss conditions, suspected payroll and classification discrepancies.

If a Final Physical Audit is not required, then the assigned carrier must conduct a final mail or telephone audit. Assigned carriers must obtain, via a documented attempt, the most recent applicable state and/or federal tax forms on all mail audits to assess the reasonableness of all reported payroll.

d. Mail Audits

A mail audit is an audit during which the policyholder submits externally verifiable payroll, tax or other requested information through the mail or by electronic means, yet typically includes no direct interaction with the assigned carrier. Mail audits are only permitted when a physical audit is not required. The assigned carrier shall make a documented, good faith effort to obtain the most recent IRS 941 Form(s) or its equivalent from the policyholder on all mail audits to assess payroll.

e. Timeliness of Completion of Final Audits

All final audits, including both Final Physical Audits and Final Mail Audits, must be completed, billed, recorded and closed on the assigned carrier's records within:

- Ninety (90) days of the notification of cancellation if cancellation was initiated by the policyholder, and
- Ninety (90) days of the policy expiration or cancellation date if cancellation was initiated by the assigned carrier.

f. Minimum Audit Frequency Requirements

Audits are to be conducted by assigned carriers in accordance with Performance Standards A.10.a-l based on the following minimum frequencies, premium ranges and governing

classifications for all employers except domestic servants. While these are the minimum requirements, assigned carriers are not precluded from physically auditing non-qualifying policyholders based on sound underwriting judgment.

| **NEW BUSINESS** | |
|---|---|
| Premium Range | |
| $50,000 + | A Preliminary Physical Audit and a Final Physical Audit must be completed, regardless of governing classification. |
| $10,000 - $49,999 | A Preliminary Physical Audit and a Final Physical Audit must be completed on all risks with the following governing class codes. All other risks must receive a Final Physical Audit. |
| | 0016 0036 0042 0046 0050 0106 0917 2702<br>3365 3724 3726 5020 5022 5037 5040 5057<br>5059 5102 5146 5160 5183 5188 5190 5213<br>5215 5221 5222 5223 5348 5402 5403 5437<br>5443 5445 5462 5472 5473 5474 5478 5479<br>5480 5506 5507 5508 5509 5538 5545 5547<br>5606 5610 5645 5701 5703 5705 6003 6005<br>6204 6217 6229 6233 6251 6252 6306 6319<br>6325 6400 7219 7230 7231 7380 7502 7515<br>7538 7539 7601 7720 7855 8018 8044 8227<br>8380 8393 8742 8745 8829 9014 9016 9079<br>9521 9533 9534 |
| $5,000 – $9,999 | A Preliminary Physical Audit and a Final Physical Audit must be completed on all risks with the following governing class codes.<br>All other risks must receive a Final Physical Audit. |
| | 3365 5040 5057 5059 5022 5183 5213 5221<br>5403 5437 5445 5474 5479 5538 5545 5547<br>5606 5645 7219 8044 |
| $1 - $4,999 | A Final Physical Audit must be completed on all risks with the following governing classifications. A final mail audit must be completed on all risks not receiving a Final Physical Audit. |
| | 0917 3365 3726 5020 5022 5037 5040 5057<br>5059 5102 5146 5160 5183 5188 5190 5213<br>5215 5221 5222 5223 5348 5402 5403 5437<br>5443 5445 5462 5472 5473 5474 5478 5479<br>5480 5506 5507 5508 5509 5538 5545 5547<br>5606 5610 5645 5701 5703 5705 6003 6005<br>6204 6217 6229 6233 6251 6252 6306 6319<br>6325 6400 7219 7230 7231 7380 7538 7601<br>7855 8044 8227 9521 9533 9534 |

| | |
|---|---|
| ALL | A Preliminary Physical Audit and a Final Physical Audit must be completed on all risks engaged in leasing employees to others or in providing temporary help to others, regardless of premium size. |

| **RENEWAL BUSINESS** | |
|---|---|
| Premium Range | |
| $10,000 + | A Final Physical Audit must be completed every year for all risks. |
| $1,000 - $9,999 | A Final Physical Audit must be completed at least once every three (3) years for all risks. A final mail audit must be completed on all risks not receiving a physical audit. |
| ALL | A Preliminary Physical Audit and a Final Physical Audit must be completed every year on all risks engaged in leasing employees to others or in providing temporary help to others, regardless of premium size. |

g. Policyholder Requested Audits

Physical audits will be performed by the assigned carrier whenever requested by the policyholder with reasonable grounds. The requested audit must be completed, billed, recorded and closed on the company records within ninety (90) days of the receipt of the request.

h. WCRIBMA Requested Audits

The WCRIBMA may at any time request that an assigned carrier perform a physical audit on a policyholder. The assigned carrier shall perform that audit as instructed and then provide a copy of the completed audit, audit notes and work-papers to the WCRIBMA within fifteen (15) days of the audit's completion.

i. Audit Scheduling

Assigned carriers must make reasonable attempts to schedule physical audits or obtain audit information for mail audits. The attempts to begin scheduling appointments must be made early in the process to ensure the timeliness requirements are met. These 'attempts' include written correspondence (e.g., U.S. mail, e-mail or fax), telephone contact, or other, depending on the assigned carrier's documented procedures. The producer of record should be included on all written attempts to audit.

j. Uncooperative Policyholders

If at least two (2) documented, good-faith attempts to conduct a physical audit or obtain audit information for a mail audit have been made, and the insured has not complied, then the assigned carrier should initiate cancellation procedures on the current policy for 'material misrepresentation' since the policyholder has not complied with the agreed upon terms of the policy contract. (See Performance Standard A.4b.)

Assigned carriers must report non-compliance and subsequent compliance to the WCRIBMA in accordance with Performance Standard E-2.

k. Audit Disputes

If a policyholder disputes the accuracy of an audit, the assigned carrier should contact the policyholder and producer and resolve the dispute within thirty (30) days from the date of receipt of written notice of the dispute. The dispute should be resolved either by revising the audit billing, or by written notice to the policyholder and producer that the original audit is accurate.

l. Documentation

Assigned carriers must document the following in their files:

(1) All attempts to schedule and conduct physical audits

(2) All attempts to conduct mail and telephone audits

(3) All requests for, or receipt of, audit information

(4) Any other item or decision that impacts policy premium or coverage.

## B. CLAIMS

### 1. REGISTERING/RECORDING

a. All First Reports of Injury will be screened upon receipt and separated by lost-time and medical-only claims. First Reports of Injury should either be manually date stamped or electronically stamped with the date received.

b. All claims for medical or indemnity benefits reported by telephone, facsimile, mail or any other means should be established with a claim number and assigned to a file handler within one working day of the date received, with the assignment date documented.

### 2. INVESTIGATION

a. Investigations should include obtaining medical and other pertinent records as well as securing detailed statements from the policyholder, injured worker and witnesses, to the extent they are granted and appropriate. The extent of the investigation should be based on

consideration of the following issues: severity of injury, potential extent of disability, potential for an employers' liability action, jurisdiction, causal relationship of the workplace incident to the disability, lateness of reported claim, lack of witnesses in claims where liability is questionable, and other such factors surrounding the compensability of the claim. The documentation should be prepared in anticipation of being presented at the Massachusetts Department of Industrial Accidents ("DIA").

Detailed statements should be taken for the following:

- Fatalities
- Spinal cord injuries
- Paralysis injuries
- Head injury/brain damage
- Serious Psychological stress
- Burns and severe disfigurement
- Heart attack
- Serious Occupational disease
- All injuries where issues of origin exist
- Incidents with delayed disability, additional periods of disability, or late reporting, to investigate potential intervening accidents
- Controverted cases with expectations of litigation
- Incidents involving potential recovery (i.e., third-party and second – injury fund cases)

All lost-time accidents should be investigated at least to the extent of:

- contacting either any person to whom the claimant or survivor reported the injury or the person held responsible at the employer for confirming the facts of the injury;
- attempting to contact the claimant; and
- attempting to contact the treating physician. The treating physician may be contacted by the assigned carrier's utilization review vendor representative.

b. Contact, or documented attempts of contact, with the injured worker or representative in cases involving serious injury shall be made within one working day of receipt of assignment.

c. Initial investigation of assigned claims should be completed within the fourteen (14) day statutory requirement, or if paid without prejudice, no more than sixty (60) days.

d. Investigation will also include, but not be limited to, the following:

(1) Contact with the policyholder or supervisor, and any witnesses as needed, within two (2) business days of receipt of assignment, to verify accident details and to lay the foundation for the injured worker's return to light or full duty.

(2) Where the Injured worker has not returned to work, contact with the treating clinician's office within two (2) business days of receipt of assignment in the absence of medical documentation from the onset to gather information concerning medical history, diagnosis, treatment, causal relationship, and return to work target date.

(3) Verification of average weekly wage and computation of indemnity benefits consistent with jurisdictional requirements.

(4) Report all lost-time injury claims to the ISO Claims Search. Investigation should include the filing of Inquiry Reports with other insurers/administrators, when appropriate.

(5) Either a full captioned report to the file should be completed with the conclusion of investigation, or the assigned carrier must maintain an automated system which includes as data elements all the items relevant to the investigation. Such terms shall include but not be limited to coverage, jurisdiction, claim date, accident description, compensability, disability, medical history, subrogation, Second Injury Fund potential, potential employer's liability exposure, reserves, average weekly wage, and outstanding issues as well as plans for future handling.

(6) On claims involving payment of benefits under M.G.L. c.152 § 34A (Permanent And Total) or § 31 (Survivors Benefits) contact will be made at least once each calendar year with the claimant. On cases involving payment of § 34 (Temporary Total) or § 35 (Temporary Partial) benefits, contact with the claimant will be made at least once a quarter. Personal contact with a claimant is required where allowed and subject to an individual's legal representation.

(7) A subrogation investigation shall be conducted simultaneously with the compensability investigation, including statements, photographs, diagrams, engineering opinions and preservation of evidence to support a recovery, where appropriate.

Each file should contain a documented determination as to the appropriateness of subrogation, based on this investigation. Insureds should have access to this information at any time upon request.

In the case of an injury resulting from a motor vehicle accident involving a third party where subrogation is not pursued, the policyholder may request a letter explaining the reasons for the assigned carrier's non-pursuit of subrogation. The assigned carrier should provide a response to the policyholder within nine (9) months of the incident or sixty (60) days of the policyholder's request, whichever is the later date.

e. Continuing items of investigation and/or development (which should be addressed in the file):

(1) Consideration of Second Injury Fund possibilities.

(2) Possibility of apportionment or contribution.

(3) Social Security or other applicable offsets.

(4) Need for physical or vocational rehabilitation.

(5) On claims involving payment of benefits under § 34A (Permanent and Total) where there is a question of disability, fraud, or where otherwise appropriate, activity checks/surveillances should be conducted by the assigned carrier or its representative at least every six months. Claims where widow, widower or dependent benefits are being paid should receive activity checks or contact at least annually.

## 3. ACCEPTANCE OR DENIAL

a. If a claim is compensable, issue first payment within fourteen (14) days of assigned carrier's receipt of an Employer's First Report of Injury (Form 101), or an initial written claim for weekly benefits on a form prescribed by the DIA, whichever is received first, and in accordance with statutory requirements.

b. If denial of compensability is in order, ensure that a prompt and legally sufficient denial is made with clear, factual basis and grounds for denial to the proper parties, followed up with timely administrative filings, where required, consistent with vigorous defense for non-meritorious claims.

## 4. RESERVING

a. Establish initial medical and indemnity loss reserves within fourteen (14) days of assignment to the claim handler commensurate with all known factors. Adequate reserves represent the claim handler's judgment of the potential costs involved in achieving maximum medical improvement and a return to work on full duty based upon known information and claims judgment.

b. Revise loss reserves whenever developments occur that change the ultimate claim exposure. Document with reserve worksheets, or other appropriate means, the basis for reserve changes.

c. In reporting estimates on fatal and permanent total cases, utilize authorized tables where appropriate and provide comments on any deviation.

d. Reserve estimates should be reviewed by a qualified member of the claim department, other than the claim handler, at regular 120 day intervals.

## 5. DISABILITY MANAGEMENT

a. Arrange for adequate and reasonable medical care necessary to treat the injury or illness.

b. Dependent upon the case circumstances, the nature of the injury, and the extent of the disability, all consistent with sound claims practice and law, initiate, determine, and/or implement the following:

(1) Promote a team approach to limiting disability through continuing follow-up contact with injured worker, policyholder, and physician at intervals consistent with the injury and estimated length of disability and establishment of return-to-work target dates.

Make a good faith attempt to provide the treating physician with a complete job description to facilitate an objective evaluation of the injured worker's ability to return to the job.

(2) Independent medical examinations (where allowed by law) should be utilized where questions of disability, causal relationship, need for surgery and/or existing treatment, or where reports of treating physician are not forthcoming.

(3) If return to the injured worker's regular job with the policyholder does not appear medically feasible or is unavailable, explore the availability or return to other employment, modified or light work duties consistent with medical capabilities.

(4) Provide vocational rehabilitation in the form of alternative work, modified work, job placement, on-the-job training, schooling, ensuring compliance with statutory and/or regulatory provisions.

## 6. MEDICAL CARE AND COST CONTROL

a. An integrated medical management program that includes pre-accident medical care arrangements, timely reporting of accidents, PPO/PPN/HMO/and similar contracts, utilization review as required by the DIA regulations in effect, hospital pre-certification/pre-admission review, return-to-work programs and catastrophic case management shall be developed and applied to individual claims, consistent with the severity of injury.

b. Periodic paper or electronic reports must be obtained from the treating physician and/or other medical practitioners for the status of the injured worker's injury and medical care and for use in conjunction with medical bill screening.

c. Screen all medical bills to ensure treatment is related to the injury, and charges are reasonable and necessary; review and approve all medical invoices in accordance with applicable statutes and regulations, relative value studies and/or professional medical cost surveys.

d. Where no questions of compensability or reasonableness exist and physician reports have been received, pay all bills within thirty (30) days or earlier.

e. Where questions of compensability or reasonableness exist, notify the medical vendor within thirty (30) days, explaining the reasons for the need for further information or investigation.

## 7. HEARINGS AND SETTLEMENTS

a. Ensure that all cases are properly prepared prior to conciliation, conference, hearing, trial, or arbitration, including but not limited to the following:

(1) Documentation of complete pre-trial preparation in the areas at issue, such as coverage, liability and disability and causal relationship issues, including proper instructions and authorization of the insurer representative at conciliation.

(2) Have available all necessary lay and professional witnesses or their depositions prior to formal hearing, trial, or arbitration.

(3) If the proceeding encompasses issues relative to extent of disability and/or permanent impairment, the appropriate medical reports, opinions and witnesses should be made available and ready for testimony or deposition, in accordance with statutory requirements.

(4) If the proceeding is to be handled by an attorney, ensure timely delivery of the file material for preparation. Document the attorney's receipt of the claim file and the assigned carrier's communications to its attorney regarding the merits of the issues to be litigated and the probable success of the litigation. If an adverse finding is made, the attorney should document the file about the costs and the merits of the appeal and case law issues, including the potential impact on future claims costs.

(5) Review attorney bills to ensure that they reflect billing practices and expense controls that are consistent with the attorney/assigned carrier agreement.

(6) When outside counsel is utilized by the assigned carrier, the defense attorney's Initial Report should be produced within thirty (30) days of receipt of assignment. A Pre-Trial Report should be produced by any outside defense counsel at least thirty (30) days prior to a hearing or, if such counsel receives less than forty (40) days' notice of a hearing, no later than ten (10) days from receipt of such notice. In all instances, Initial Reports and Pre-Trial Reports shall be completed prior to the applicable proceedings.

b. Assuming plaintiff attorney willingness and consistency with sound claims judgment, conduct settlement negotiations promptly after completion of investigation. Do not, as a matter of tactics or standard operating procedure, wait until day of pre-trial, conference or hearing. Prior to settlement negotiations, the file will be documented relative to estimated settlement value.

c. Base all settlements of permanency or compromise settlements on sound claims judgment consistent with compensability investigation, medical evidence developed and exposure, in accordance with the law and benefit structure.

## 8. PAYMENT CONTROL

All benefit payments and filings required to be made to the DIA will be documented and made timely in accordance with statutory provisions and regulations.

## 9. SUPERVISION

Document team review or supervisor/management direction and control of claim handling consistent with the injury severity.

### 10. FILING REPORTING

All file activity will be fully documented either by paper or electronically, and shall include:

a. Sources of information and dates of activity.
b. Copies of police reports, marriage and/or birth certificates, etc., when appropriate.

## C. LOSS CONTROL

The primary objective of these Loss Control Performance Standards is to eliminate, reduce and/or control sources of occupational injury and illness to policyholders' workers.

### 1. NOTIFICATION OF LOSS CONTROL SERVICES

Upon policy issuance, the policyholder and producer of record will be notified by the assigned carrier, in writing, of available loss control services and safety information, including instructions for obtaining services and information.

### 2. POLICYHOLDER-REQUESTED LOSS CONTROL SERVICES

Any assigned risk policyholder may request loss control services from its assigned carrier regardless of the size of its operation or its claim history. The assigned carrier is responsible for allocating financial resources, qualified personnel, and time in reasonable amounts sufficient to provide comprehensive loss control services to its policyholders.

a. The assigned carrier will provide appropriate consultation in the form of accident prevention programs, accident trending, safety seminars, safety literature and other administrative aids which will support the loss control efforts of the policyholder.
b. The assigned carrier will encourage the policyholder to designate a specific individual(s) as safety coordinator and contact person.
c. When an on-site visit is requested by the policyholder or when an on-site visit is deemed necessary by the assigned carrier, the assigned carrier will assign a designated loss control representative to oversee the delivery of services to the policyholder.
d. When the policyholder requests loss control services, the assigned carrier will respond to the policyholder within fifteen (15) business days of the receipt of the request. The assigned carrier must either provide requested loss prevention materials (as described in subsection 2.a. above) or, when appropriate, conduct a loss control survey (as described in subsection 3. below) within sixty (60) days from the date of the policyholder's request. Requests for

assistance in the evaluation and control of imminent danger exposures will be given high priority.

## 3. LOSS CONTROL SURVEYS

A Loss Control Survey ("LCS") is generally initiated by the assigned carrier in accordance with the requirements set forth in this Performance Standard C.3, but may also be requested by the policyholder as provided in Performance Standard C.2.

a. Contents of a Loss Control Survey

An LCS includes, but is not limited to:

(1) An analysis of all available accident experience to determine causes and trends, supported by loss runs or other related documentation.
(2) An on-site review of potential policyholder exposures, specifically identifying conditions and operations that could cause loss. Imminent danger hazards must be discussed with policyholder management during the LCS.
(3) Review and documentation of policyholder loss control program and activities including, employee training programs, safety management firm , safety policy, procedures, goals and funding, etc.
(4) A description of the nature and size of the operations, number of locations and loss potential for classification and underwriting purposes.

b. Recommendations

Recommendations are the result of an LCS and must be presented to the policyholder in accordance with Performance Standard C.4.

c. Timelines and Procedures

(1) New Policies

An in-person Loss Control Survey must be performed for all policyholders that qualify in accordance with Performance Standard C.3d, at all locations that qualify in accordance with Performance Standard C.3e, within 120 days of the policy effective date or receipt of the Notice of Assignment by the assigned carrier, whichever is later.

In addition, regardless of whether a policyholder qualifies for an LCS for the current policy period, the assigned carrier must perform an LCS if the policyholder meets the following conditions:

- the assigned carrier has knowledge of a prior LCS that contained critical recommendations, and

- the assigned carrier has no knowledge that the critical recommendations in that prior LCS have been satisfied.

(2) Renewal Policies

An LCS must be performed for all policyholders that currently qualify in accordance with Performance Standard C.3d, at all locations that currently qualify in accordance with Performance Standard C.3e, within 120 days of the policy effective date if an LCS has not been conducted within the last three (3) policy periods, regardless of whether or not the policyholder qualified for an LCS during the last three (3) policy periods.

Regardless of whether a policyholder qualifies for an LCS for the current policy period, the assigned carrier must perform an LCS if the assigned carrier's prior LCS contained critical recommendations.

d. Minimum Loss Control Survey Frequency Requirements per Policyholder

LCSs are to be conducted according to the following criteria, which include: premium ranges, governing classifications (for Hazard Groups D through G excluding Admiralty codes), experience rating modifications, and locations for all policies except domestic servant policies. While these are the minimum requirements, assigned carriers are encouraged to perform LCSs for non-qualifying employers based on sound underwriting judgment.

| **Premium Range** | **Governing Classification Codes** | | | | |
|---|---|---|---|---|---|
| $25,000 and Over | All employers, regardless of governing classification codes. | | | | |
| $10,000 - $24,999 | 0016 | 0079 | 0106 | 1430 | 1438 |
| | 1463 | 1624 | 1655 | 1701 | 1710 |
| | 1747 | 1748 | 2014 | 2115 | 2211 |
| | 2260 | 2402 | 2702 | 2710 | 2731 |
| | 3018 | 3027 | 3030 | 3040 | 3081 |
| | 3082 | 3085 | 3336 | 3365 | 3620 |
| | 3724 | 3726 | 4000 | 4021 | 4024 |
| | 4034 | 4036 | 4239 | 4439 | 4583 |
| | 4635 | 4665 | 4740 | 4771 | 4777 |
| | 4825 | 4829 | 5020 | 5022 | 5037 |
| | 5040 | 5057 | 5059 | 5102 | 5146 |
| | 5160 | 5183 | 5188 | 5190 | 5213 |
| | 5221 | 5222 | 5223 | 5348 | 5403 |
| | 5437 | 5445 | 5462 | 5472 | 5473 |
| | 5474 | 5478 | 5480 | 5506 | 5507 |
| | 5508 | 5509 | 5538 | 5545 | 5547 |
| | 5606 | 5645 | 5701 | 5703 | 5705 |
| | 6003 | 6005 | 6204 | 6217 | 6229 |
| | 6233 | 6251 | 6252 | 6306 | 6319 |
| | 6325 | 6801 | 6811 | 6824 | 6826 |
| | 6836 | 6843 | 6854 | 6872 | 6874 |
| | 6882 | 6884 | 7219 | 7309 | 7313 |

| | | | | | |
|---|---|---|---|---|---|
| | 7317 | 7327 | 7350 | 7360 | 7403 |
| | 7405 | 7420 | 7421 | 7422 | 7425 |
| | 7431 | 7502 | 7515 | 7538 | 7539 |
| | 7580 | 7600 | 7601 | 7704 | 7720 |
| | 7855 | 8106 | 8107 | 8204 | 8215 |
| | 8227 | 8232 | 8233 | 8264 | 8265 |
| | 8279 | 8293 | 8350 | 8385 | 8500 |
| | 8709 | 8710 | 8719 | 8720 | 8721 |
| | 8726 | 8742 | 8803 | 9019 | 9180 |
| | 9186 | 9402 | 9403 | 9519 | 9521 |
| | 9533 | 9534 | 9549 | 9552 | |
| $10,000 - $24,999 | | | | | |
| **Experience Rating** | | | | | |
| 1.40 and higher with an estimated annual premium of $10,000 and higher | All employers, regardless of governing classification code and status of experience rating. | | | | |

e. Minimum Loss Control Survey Requirements – per Location

For all policyholders that qualify for a LCS and that have a single location, the assigned carrier must conduct the LCS at the single location.

For all policyholders that qualify for a LCS and that have multiple locations, the assigned carrier must conduct the LCS at each location that has an annual premium of $10,000 or higher for the qualifying class codes. If no single location has an annual premium of $10,000 or higher for the qualifying class codes, then an LCS should be conducted at the principal location of the policyholder as determined by the assigned carrier.

## 4. RECOMMENDATIONS

Recommendations are the result of a Loss Control Survey and include written guidance for the policyholder which addresses actual or potential exposures and, where applicable, make suggestions for program activities or management principles. There are two types of recommendations:

a. Critical Recommendations

Critical recommendations address exposures of imminent danger or serious loss potential or continuing losses, which indicate uncontrolled exposures expected for the type of operation as indicated in A.M. Best's Loss Control Manual or similar materials.

The assigned carrier must notify both the policyholder and the producer of record of critical recommendations in writing within fourteen (14) days of the completion of the LCS. The notification must advise that failure to comply with these recommendations may result in

cancellation of coverage, as provided in the Massachusetts Assigned Risk Pool Eligibility Endorsement.

Within sixty (60) days from the date the notification is sent, the assigned carrier must contact the policyholder to ensure compliance with the recommendations. The policyholder can demonstrate compliance with critical recommendations virtually or with written notification, signed by an officer or owner of the insured entity.

If the policyholder has not demonstrated that it has, within ninety (90) days, substantially complied or intends to so comply within a reasonable time, with the assigned carrier's, critical recommendations, then the assigned carrier may initiate cancellation proceedings in accordance with Performance Standard A.4. The reason for the cancellation must be reported as 'fraud / material misrepresentation', WCIO Cancellation Reason Code 21.

Assigned carriers must report non-compliance and subsequent compliance to the WCRIBMA in accordance with Performance Standard E.2.

b. Advisory Recommendations

Advisory recommendations address minor exposures that exist but do not present an imminent danger or serious loss potential.

Advisory recommendations must be provided to the policyholder and the producer of record in writing within thirty (30) days of the completion of the LCS.

Additional loss control services may be provided where, at the assigned carrier's discretion, it determines the services will be effective in reducing losses.

## D. CUSTOMER SERVICE

The assigned carrier shall establish written customer service standards that include, but are not limited to:

1. Responding to written policyholder, producer of record or injured worker initial inquiries and complaints regarding a particular matter within ten (10) business days. If telephone inquiries are received, the assigned carrier should require that a written request be submitted.
2. Resolving issues within thirty (30) days of the date of receipt of written correspondence.
3. If requested, making loss records available within thirty (30) days of the request.
4. Creating written internal procedures and management accountabilities for monitoring compliance with these Performance Standards.

If the policyholder makes a request for a review of the method by which their classifications, rates, premiums or audit results were determined, as permitted by the MA Notice to Policyholder Endorsement, the assigned carrier must convey the results of that review within thirty (30) days. If the policyholder is not satisfied with the results of the review, the assigned carrier shall notify the policyholder that pursuant to the MA Notice to Policyholder Endorsement, the insured may submit a written request for review to the WCRIBMA.

## E. POLICY, UNIT STATISTICAL AND DATA REPORTING

### 1. POLICY DATA

All assigned carriers are responsible for timely and accurate reporting of data to the WCRIBMA in accordance with the Massachusetts Workers' Compensation Statistical Plan and the WCIO Workers' Compensation Data Specifications Manual. The following must be reported:

a. Policies
b. Endorsements
c. Cancellations, Reinstatements, Non-renewals
d. Noncompliance and Compliance Transactions
e. Unit Statistical Reports

### 2. NONCOMPLIANCE AND SUBSEQUENT COMPLIANCE TRANSACTIONS

Assigned carriers must report noncompliance and subsequent compliance to the WCRIBMA. The purpose of this requirement is:

a. Noncompliance Reporting – to identify risks that are ineligible for participation through the Pool and exclude them from assigned risk coverage until such time as the eligibility issue has been resolved
b. Compliance Reporting – to reestablish the eligibility for assigned risk coverage for a risk that was previously reported as noncompliant

The noncompliance and subsequent compliance transactions must either be reported electronically as a WCIO Record Type Z1, Transaction Code 17 or through the Member's Area of the WCRIBMA's website.

Noncompliance transactions must be reported to the WCRIBMA within five (5) business days of the determination of ineligibility. In situations that the assigned carrier is currently providing coverage for the policyholder, the noncompliance transaction should be reported along with the cancellation transaction.

Compliance transactions must be reported to the WCRIBMA within five (5) business days of the event correcting the previously reported noncompliance issue.

## 3. QUARTERLY AND ANNUAL ACTUARIAL AND FINANCIAL REPORTING

Servicing Carriers are also responsible for segregating and reporting actuarial and financial Servicing Carrier data to NCCI in accordance with NCCI's Servicing Carrier Reference Guide and Pool Data Reporting Guide, including any Massachusetts exceptions that have been communicated to the Servicing Carriers.

In accordance with the Massachusetts Workers' Compensation Statistical Plan, assigned carriers are also required to submit to the WCRIBMA the Policy Year Residual Market Call (Call 2A), the Accident Year Residual Market Call (Call 3A), and the Residual Market Direct Written Premium Call (Call 5).

## F. TABLE OF TIME STANDARDS

Before a carrier is permitted to send or post documents or funds electronically, the policyholder must have granted the assigned carrier permission to send electronic correspondence or funds.

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Audit Dispute | Policyholder, Producer | Paper or Electronic | A.10.k. | …resolved within 30 days from the date of the receipt of written notice of the dispute | |
| Audits - Final | | | A.10.e. | …completed, billed, recorded and closed within 90 days of policy cancellation or expiration | When initiated by the assigned carrier |
| Audits - Policyholder Requested | | | A.10.e.<br>A.10.g. | …completed, billed, recorded and closed within 90 days of the receipt of the request | When initiated by the policyholder |
| Audits - Preliminary Physical | | | A.10.b. | …completed within 120 days of policy effective date or receipt of assignment, whichever is later | Exception for employee leasing companies and PEOs: within 90 days of policy effective date. (Rule IX.E.7.) |
| Audit Scheduling Letter | Policyholder Producer | Mail, email, fax telephone or other depending on carrier's documented procedures | A.10.i. | Early in the process to ensure the timeliness requirements are met | In order to cancel, at least two good faith attempts must be made, and for one of the attempts, the carrier must retain a certificate of mailing from the USPO. |
| Billing Cycle | | | A.8.a. | …completed within 45 days for premium or deductible balances due, installments interim audits, endorsements or final audits | The 45 day billing cycle begins on the date of the billing and includes 30 days from the date of billing and a 15 day period for follow up. |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Billing Statements ($100 or higher) | Policyholder, Finance Co. | Paper or Electronic | A.8.b.(2) | …mailed within 10 business days of posting the transaction on the Servicing Carriers' records | If billing is on an installment basis, and an installment is due within the next 30 days, the additional premium may be allocated among all remaining installments. |
| Cancellation Notices (All) initiated by assigned carrier | Policyholder, Producer, Auth. Rep., WCRIBMA | Paper; Electronic to WCRIBMA only | A.4.b.(3) M.G.L. c. 152 §63 M.G.L. c. 175 §187C | The cancellation date must be determined so 10 days written notice is given to the WCRIBMA & the policyholder. | If cancelling for nonpayment, the amount due must be shown on the Cancellation Notice. Carrier must retain a Certificate of Mailing Receipt from the USPO. |
| Cancellations initiated by assigned carrier for non-payment of premium | Policyholder, Producer, Auth. Rep., WCRIBMA | Paper | A.8.d. M.G.L. c. 152 §63 M.G.L. c. 175 §187C | If premium amounts due are not postmarked within 45 days of mailing of billing statements, SC should implement cancellation procedures | If the postmark date is not legible, the carrier must rely on the receipt date. Carrier must retain a Certificate of Mailing Receipt from the USPO. |
| Cancellation Notices: initiated by policyholder or authorized representative | Policyholder, Producer, Auth. Rep., WCRIBMA | Paper | A.4.a. M.G.L. c. 152 §63 M.G.L. c. 175 §187C | Issued and mailed within 5 business days after the receipt of the request | The effective date of cancellation must be determined to ensure that either 1) 10 days' written notice is given to the WCRIBMA, or 2) the cancellation date coincides with a record of replacement coverage on file with the WCRIBMA. Carrier must retain a Certificate of Mailing Receipt from the USPO. |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Certificates of Insurance | Each contact provided on the MA ARP Request for Certificate of Insurance Form or a like form | Email, Fax, or Mail * | A.6. | Policy issued: …issue and distribute within 2 business days of request<br>New business/policy not issued: …issue and distribute within 10 days of receiving both the NOA package and the request | * depending on distribution information provided |
| Claim – Contact with Injured Worker | | | B.2.b.. | … within 1 business days of receipt of assignment | |
| Claim – Contact with Policyholder | | | B.2.d.(1) | …within 2 business days of receipt of assignment | |
| Claim – Contact with Treating Physician's Office | | | B.2.d.(2) | …within 2 business days of receipt of assignment in the absence of medical documentation (when the claimant has not returned to work) | |
| Claim – Cost Control – No Question of Compensability & Physician's Reports Received | | | B.6.d. | Pay bills within 30 days | |
| Claim – Cost Control – Question of Compensability | | | B.6.e. | Notify medical vendor within 30 days | Explain the reasons for the need for further information or investigation. |
| Claim – Establish Initial Reserves | | | B.4.a. | …within 14 days of assignment to file handler | |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Claim – First Payment, if Compensable | Injured Worker | Paper or Electronic | B.3.a. | …issue first payment within 14 days of assigned carrier's receipt of First Report of Injury or other DIA form | In accordance with Statutory Requirements |
| Claim – Hearing – Outside Counsel | Assigned Carrier | | B.7.a.(6) | Initial Report should be produced within 30 days of assignment Pre-Trial Report should be produced at least 30 days prior to hearing | Pre-Trial Report - if such counsel receives less than 40 days' notice of a hearing, no later than 10 days from receipt of such notice. |
| Claim – Initial Investigation | | | B.2.c. | …completed within 14 days or … 60 days if paid without prejudice | Statutory Requirement |
| Claim – Motor Vehicle – Non-Subrogation Inquiry from Policyholder | Policyholder | Paper or Electronic | B.2.d.(7) | …respond within 9 months of incident or 60 days of inquiry, whichever is later | |
| Collection Agency Referrals | | | A.9. | …made within 15 days of the completion of the 45 days billing cycle. | Exception:<br>• potential for imminent settlement is evident, or<br>• the premium is in dispute and the dispute is being actively resolved.<br><br>Servicing Carriers must obtain preapproval from the WCRIBMA to refer to outside counsel instead of pursuing collection activity. |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Customer Service | Policyholder, Producer, Injured Worker | Paper or Electronic | D | - Respond to inquiries within 10 days<br>- Resolve issues within 30 days<br>- Provide loss records within 30 days<br>- Provide results of premium review within 30 days | |
| Endorsements, Determined by Carrier | Policyholder, Producer | Paper or Electronic | A.3.b. | …issue endorsement within 10 days of making the determination that an endorsement is necessary | |
| Endorsements, Requested by Policyholder | Policyholder, Producer | Paper or Electronic | A.3.a. | …within 10 days of receipt of request, issue denial or request additional info.<br>…within 10 days of the receipt of request or requested additional info, issue endorsement. | Requests for assistance in the evaluation and control of imminent danger exposures will be given high priority. |
| Investigate & decide whether a payroll or class change is necessary | | | A.2. | Within 30 days of the discovery of inconsistent payroll or class information | |
| Loss Control Services – Notification of | | Paper | C.1. | Upon policy issuance | |
| Loss Control Services – Policyholder Requested | | | C.2.d. | - Respond within 15 business days of receipt of request<br>- Provide materials or services within 60 days from request | |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Loss Control Survey – as required for qualifying policyholders and locations | | | C.3.c.(1&2) | New business … Performed within 120 days of policy effective date or receipt of Notice of Assignment, whichever is later<br>Renewal business … Performed within 120 days of the policy effective date if a LCS has not been done within 3 years | |
| Loss Control Survey – Advisory Recommendations | Policyholder, Producer | Paper or Electronic | C.4.b. | Provide within 30 days of completion of the Survey | |
| Loss Control Survey - Critical Recommendations | Policyholder, Producer | Paper or Electronic | C.4.a. | - Provide notification within 14 days of completion of the Survey<br>- Ensure Compliance within 60 days from date notification is sent<br>- Initiate Cancellation for Noncompliance within 90 days from date notification is sent | The notification must advise that failure to comply with these recommendations may result in cancellation of coverage. |
| New Business Letters | Policyholder Producer | Paper | A.1.b.(1) | Send notice within 5 business days of receipt of NOA from WCRIBMA | Includes a request for policyholder's permission to receive electronic correspondence. |
| Noncompliance & Compliance Transactions | WCRIBMA | Electronic | E.2. | Reported within 5 business days of determination of ineligibility or subsequent eligibility | |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Non-Renewal Notice | Policyholder, Producer | Paper | A.1.c.3. | The Policyholder must receive the Notice at least 10 days prior to expiration. | Carrier must retain a Certificate of Mailing Receipt from the USPO. |
| Non-Renewal Notice | WCRIBMA | Electronic | M.G.L. c. 152 §63 | The WCRIBMA must receive the Notice at least 10 days prior to expiration. | Statutory Requirement |
| Policy Issuance | Policyholder, Producer | Paper or Electronic | A.1.b.2. | New: issued and sent within 30 days from the date the NOA, required premium & properly completed app are received from WCRIBMA<br>Renewal: issued and sent within 30 days after receipt of required deposit premium | Time standard suspended if employer is found to be ineligible. See A.1.b.4. |
| Policy Issuance | WCRIBMA | Electronic | M.G.L. c. 152, §63 | Reported within 5 days of issuance | Statutory Requirement |
| Producer Fee Payment | Producer | Paper or Electronic | A.7. | Process and send fee payments within 30 days of policy issuance or receipt of premium, whichever is later | |
| Reinstatement Notice | Policyholder, Producer, Auth. Rep., Certificate holder | Paper or Electronic | A.5. | Communicated within 5 business days after the receipt of the request, receipt of funds satisfying the premium obligation, or receipt of the item correcting the fault.<br>Certificate Holder: …within 5 business days of issuance | If an assigned carrier notified a Certificate Holder named on a Certificate of Insurance of a pending cancellation, and that policy is subsequently reinstated, then the carrier must also notify the Certificate Holder of the reinstatement within 5 business days of issuance. |

| Subjects & Document Types (Alphabetical Listing) | Send to, as Applicable | Mailing Type, as Applicable | Reference | Timeframe | Notes |
|---|---|---|---|---|---|
| Reinstatement Notice | WCRIBMA | Electronic | A.5. | Reported within 5 business days after the receipt of the request, receipt of funds satisfying the premium obligation, or receipt of the item correcting the fault. | |
| Renewal Proposal | Policyholder, Producer | Paper or Electronic | A.1.c.1. | Send the proposal >= 45 days & <= 100 days from expiration date | |
| Return Premium Adjustments | Policyholder, Party with Power of Attorney | Paper or Electronic | A.8.e. | Mailed within 10 business days of recording on carrier records | In cases in which a financed policy is cancelled midterm and the policyholder does not cooperate with audit requests, the assigned carrier may not retain more than 3 times the prorated premium, with a short rate penalty applied, unless the assigned carrier has evidence that the original premium estimate was significantly deficient. |