THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU OF MASSACHUSETTS
101 ARCH STREET - 5TH FLOOR, BOSTON, MA 02110
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July 13, 1995

Administrator
Massachusetts Assigned Risk Pool

MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL

HOME OFFICE ONLY

SPECIAL BULLETIN NO. 12-95

CHANGES TO APPENDIX TO THE MASSACHUSETTS WORKERS' COMPENSATION ASSIGNED RISK POOL PLAN OF OPERATION-PERFORMANCE STANDARDS FOR SERVICING CARRIERS

REVISED SERVICING CARRIER COLLECTION PROCEDURES

EFFECTIVE JANUARY 1, 1996

The Commissioner of Insurance has approved changes to the Appendix to the Massachusetts Workers' Compensation Assigned Risk Pool Plan of Operation-Performance Standards For Servicing Carriers which revise Servicing Carrier Collection Procedures.

The changes are contained in revised Section 9. COLLECTION PROCEDURES under A. UNDERWRITING AND AUDIT of the Pool Plan of Operation Performance Standards For Servicing Carriers on Page 27 enclosed. The changes are indicated by lining out certain words and replacing them with revised words, or by adding words, which are shown in bold and underlined.

The proposed changes are part of an ongoing and extensive redesign of the uncollectible premium reporting process. This redesigning of the process will streamline uncollectible reporting by the Servicing Carriers and Voluntary Direct Assignment Carriers, accelerate electronic data reporting, and create more efficient oversight of uncollectible premium accounts.

We are also attaching a "clean" copy of Page 27, without the "line-outs," underlined, and bold words. This page replaces the current page in your copy of the Appendix to the Pool Plan of Operation.

NORMAN R. FONTAIN
Vice President of Industry Affairs

NRF/pw/1987
Attachment
9. COLLECTION PROCEDURES

<table>
<thead>
<tr>
<th>Premium Past Due</th>
<th>Collection Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $249 $999</td>
<td>Collections are important, but are at carrier discretion.</td>
</tr>
<tr>
<td>$250 - $9,999 $1,000 - $24,999</td>
<td>Carriers should complete billing procedures within 45 calendar days for balances due, installments, interim audits, endorsements, and final audits. During this 45-day period, at least two documented attempts to collect the premium due should be made. Billings, notifications of delinquent accounts, cancellation notices and telephone contacts are all considered attempts to collect. If undisputed premium remains unpaid, cancellation procedures should be initiated consistent with the Section A.4. Cancellations. Immediately upon completion of billing procedures for final audits, uncollected items should be referred to a collection agency, referred for commencement of legal action, or referred to a servicing carriers' specialized in-house collection unit for further action; collection activity within five (5) working days of the completion of the billing procedure unless: (a) potential for imminent settlement is evident, or (b) the premium is in dispute and the dispute is being actively resolved.</td>
</tr>
<tr>
<td>$10,000 &amp; Over $25,000 and Over</td>
<td>Use the same procedures as for $250 - $9,999 $1,000 - $24,999; however, if the insured disagrees with the amount due, or the amount due is $50,000 or more, referrals to a collection agency, attorney, or specialized in-house collection unit requires pre-approval of the National Council on Compensation Insurance or other organization designated for this purpose by the Pool Administrator or the Division of Insurance.</td>
</tr>
</tbody>
</table>

10. AUDITS

a. Audits will be completed, billed and recorded on the company records within 90 calendar days of policy expiration.

b. Audits will be completed, billed and recorded on the company records within 90 calendar days of the effective date of cancellation if initiated by the company and within 90 calendar days of notification of cancellation if initiated by the insured.

c. If an insured disputes an audit, the carrier should contact the insured and resolve the accuracy of the audit within 60 days from the date of receipt of written notice of the dispute. The dispute should be concluded either by revising the audit billing, or by written notice to the insured that the original audit is accurate.

d. Physical audits will be made whenever requested by the policyholder with reasonable grounds.
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<td>Use the same procedures as for $1,000 - $24,999 except that items referred directly to outside counsel for collection require pre-approval of the National Council on Compensation Insurance or other organization designated for this purpose by the Pool Administrator or the Division of Insurance.</td>
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