



## **Public Risk Innovation, Solutions, and Management**

### **Excess Workers' Compensation Program Application of the UW & Claims Administration Standards**

This policy statement of PRISM's Underwriting Committee and Claims Review Committee is intended to document PRISM's policy regarding the application of the Underwriting and Claims Administration Standards including Addendum A – Workers' Compensation Claims Administration Guidelines.

The above referenced Standards and Guidelines were developed to promote excellent underwriting and claims handling practices among the members. The purpose is to reduce exposure to the member's self-insured programs and the EWC Program's layer of coverage. The Standards and Guidelines (including all subsequent revisions) were developed by the PRISM's Underwriting and Claims Review Committees, and were approved by a majority of the EWC Program Membership.

This policy statement recognizes that there is a distinction between the compliance requirements for the Standards and the Guidelines. The Standards are more general in nature and are minimum requirements necessary for the Program to effectively coordinate with the self-insured members. The members are expected to strictly comply with all of the Standards, and there are specific sanctions for non-compliance. One of the Standards is that each member shall use the Guidelines and advise their claims administrator that they will be utilized in the claims audit. The Guidelines are specific rules or guiding principles for every aspect of the claims administration process. Most have an acceptable "accomplishment level" percentage assigned to it for use in the claims audit.

PRISM has purposely set the bar extremely high in assigning these acceptable accomplishment levels. The Guidelines are intended to be best practices that the members shall strive to achieve. PRISM's Claims Review Committee reviews the claims audits required of the members every three years. The members are required to provide the Committee with their response to the audits, which will address any areas determined to be out of compliance. The Claims Review Committee will determine whether or not an individual member is in compliance with the use of the Guidelines standard. Exposure to the pooling layer of the program, among other factors, will be considered in making this judgment.

The Underwriting Committee has adopted this policy statement September 27, 2002. The Claims Review Committee has adopted this policy statement November 15, 2002.