

APPENDIX A: Criteria to qualify as a finding of non-compliance

Audit issue		% or Number of Events to Qualify [if the Surety has NOT been audited within the previous 24 months]	% or Number of Events to Qualify [if the Surety has been audited within the previous 24 months]	Actual Events Found
1	Authorized Adjusting Personnel Violations	1	1	
2	Checks issued out-of-state without an approved Waiver	1	1	
3	Lack of immediate access to claim files by in-state claims administrator	1	1	
4	Non-prompt response to IC inquiries regarding claim status	1	1	
5	Non-prompt indemnity payments [28 days for initial payment and 7 days for subsequent payments]	5%	3%	
6	CoS not sent or sent untimely to claimant	5%	3%	
7	Untimely notice to IC of changes in in-state claims administrator for a covered employer	1	1	
8	FROIs not of record at IC	2%	1%	
9	Insufficient in-state personnel to promptly adjust claims	1	1	
10	Claims adjusting correspondence not sent from in-state office	1	1	
11	Non-prompt adjusting	10%	8%	
12	Untimely medical payments	15%	10%	
13	EOB/EOR has no local contact info	1	1	
14	Interim SoPs not on file at IC	1	1	
15	Untimely notification of in-state signatories/adjusters	1	1	
16	FROIs not sent to IC within 10 days of receipt by surety or claims administrator	5%	3%	
17	Initial payment copy not sent to IC	10%	5%	
18	CoS not copied to IC	10%	5%	
19	CoS incomplete [SSN, proper surety, etc]	10%	5%	
20	SoPs filed with IC after 120 days	12%	10%	
21	Hard copy documents in claim file not properly date stamped	10%	5%	
22	Claims administrator does not consistently classify and identify the correct surety on claims	1	1	
23	Failure to pay benefits in accordance with Statute and Rule	1	1	
24	Improper Recovery of Voluntary Payments	1	1	
25	Employers with Deductible Policies are paying benefits directly and/or adjusting out of state	1	1	

**Audit criteria are used as a guideline. Auditors reserve the right to issue a finding for any one individual non-compliance issue, or as may be required for short term re-audits.*