

Criteria to qualify as a finding of non-compliance

Audit issue		% or Number of Events to Qualify [if there has NOT been same finding within prior 24 months]	% or Number of Events to Qualify [if same finding within prior 24 months]	Actual Events Found
1	Out-of-state adjusting	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%	
	(a) Non-prompt payment due to inadequate reserves	1	1	
6	CoS not sent to claimant	5%	3%	
7	Untimely notice to IC of changes in in-state claims administrator for a covered employer	1	1	
8	Adjusting by unauthorized personnel [non-licensed TPA examiner inclusive of NCM]	1	1	
9	FROIs not of record at IC	2%	1%	
10	Insufficient in-state personnel to promptly adjust claims	1	1	
11	Claims adjusting correspondence not sent from in-state office	1	1	
12	Non-prompt adjusting	8%	6%	
13	Untimely medical payments	15%	10%	
14	EOB/EOR has no local contact info	1	1	
15	Interim SoPs not on file at IC	1	1	
16	Untimely notification of in-state signatories/adjusters	1	1	
17	FROIs not sent to IC within 10 days of receipt by surety or claims administrator	5%	3%	
18	CoS sent untimely to claimant	8%	5%	
19	Initial payment copy not sent to IC	10%	5%	
20	CoS not copied to IC	10%	5%	
21	CoS incomplete [SSN, proper surety, etc]	10%	5%	
22	SoPs filed with IC after 120 days	12%	10%	
23	FROIs do not contain surety and/or in-state claims administrator or mandatory elements [SSN, etc]	10%	5%	
24	Hard copy documents in claim file not properly date stamped	10%	5%	
25	Claims administrator does not consistently classify and identify the correct surety on claims	1	1	
26	In-State adjuster does not have sufficient authority to adjust claims	1	1	
27	Failure to pay benefits in accordance with Statute and Rule	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.*

Revised 2/26/14