



## IDAHO INDUSTRIAL COMMISSION

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**RE:** Prompt Claims Servicing

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This letter offers guidance on the Commission's expectations for prompt claims servicing.

The prompt claims servicing rules were crafted to reconcile the need to investigate a claim with the statutory requirement of Idaho Code §72-402 that income benefits be issued within twenty-eight (28) days of the date of disability. During an audit, the claims administrator's compliance is measured by the timely acceptance or denial of the claim, i.e., within thirty (30) days of receiving knowledge of the claim. However, the employer's failure to timely report claims to its claims administrator does not excuse the employer/surety from its obligation for the prompt payment of benefits as clearly stated in the rule:

Prompt Claim Servicing. Prompt claim servicing includes, but is not limited to:

a. Making an initial decision to accept or deny a claim for an injury or occupational disease within thirty (30) days after the claims administrator receives knowledge of the same. The worker shall be given notice of that initial decision in accordance with Section 72-806, Idaho Code. Nothing in this rule shall be construed as amending the requirement to start payment of income benefits no later than four (4) weeks or twenty-eight (28) days from the date of disability under the provisions of Section 72-402, Idaho Code.

Unless a denial is issued within twenty-eight (28) days of the date of disability, income benefits must be started per IC §72-402. The deadline for issuance of income benefits may arrive before the claims administrator's thirty (30) days to determine compensability has expired. The investigation may continue beyond the thirty (30) day deadline as long as voluntary payments are made while the determination to accept or deny the claim is made.

It is expected that compensability for most claims will be promptly determined in accordance with the timeframes in the rule, and that claims requiring a prolonged investigation are the exception. These standards will be enforced in the context of surety audits for all claims filed on or after March 28, 2018. For further information, please refer to the Commission's Audit Guidelines available on our website at <https://iic.idaho.gov/benefits-administration/insurance-information/>.

  
Thomas P. Baskin,  
Chairman

  
Aaron White,  
Commissioner

  
Thomas E. Limbaugh,  
Commissioner