

## **General Modifications: Commercial Claim Performance Standards as of April 26, 2019**

The Performance Standards and Appendices for the handling and payment of claims are reviewed every two years in accordance with Massachusetts G.L. c. 175 sec. 113H. Below are general descriptions of changes to the Commercial Claim Performance Standards approved by the Division of Insurance by Order on April 26, 2019.

### **Commercial Specific Modifications**

#### **Table of Contents**

- The DOI Bulletin referenced in Appendix N has been updated.
  - The most recent communication titled Bulletin 2017-06 (November 22, 2017) is now referenced.

#### **Standard III No-Fault Personal Injury Protection Benefits Handling**

- Language is added in the section pertaining to Fraud Handling to include Special Investigations.
  - The updated language is consistent with Standard II Bodily Injury & Uninsured/Underinsured Motorist.
- Language is added in the Medical Management section that allows for the use of medical fee databases as an additional technique that companies may use in the determination of ‘usual and customary’ charges as part of its medical management plan.

#### **Measurements & Penalties**

- The Expense Best Practice is moved from Voluntary/Ceded Claim Handling Differential section into the Performance Standards section.
- Compliance Audit Committee is changed to Compliance and Operations Committee.

#### **Appendix A – CAR SIU Standards**

- Language is adjusted to reflect the updated process for all SC’s to provide CAR the SIU Quarterly Activity Log.

#### **Appendix I – CAR Compliance Audit Claim Review Process**

- Compliance Audit Committee is changed to Compliance and Operations Committee.

#### **Appendix J – CAR SIU File Review Process – MAIP Policies**

- Language is added referencing CAR Rule 10 and SIU responsibilities as well as Rule 32.C. that requires the Servicing Carrier’s SIU to investigate suspicious underwriting, rating and premium issues and to conduct an audit on a representative sample of policies (companion rule to private passenger Rule 32.C).
- Clarifying language is added regarding the SIU components of the Commercial Claims Performance Standards Report and SIU Evaluation.

#### **Appendix K – Compliance Audit Claim Questionnaire**

- Note that the private passenger and commercial questionnaire are consistent. However, language has been added to the questionnaire specific to the validation of a commercial risk’s principal place of business, in accordance with the recent update to Rule 2.

#### **Appendix N – Division of Insurance, Bulletin 2008-12**

- As noted in the Table of Contents, the DOI issued an updated Bulletin clarifying the coordination of benefits.
  - The updated Bulletin issued on November 22, 2017 was inserted as an exhibit replacing the prior.