

TEXAS
Jack Evans

Training

- All claim staff should be trained in the same way in the same documented procedures.
- Training materials should be routinely updated to reflect new issues and staff should be re-trained regularly.
- Training should emphasize that adverse pre-disposition or bias against a claimant is unacceptable.
- Training should emphasize everyone's accountability for performing consistently with a written code of compliance.
- Successful completion of training should be documented and each student should affirm in writing understanding of and intent to act consistently with the code of compliance.

Claim Organization

- Experienced claim staff should "sign-off" on claim denials and terminations of benefits.
- Companies should create a separate compliance-accountability function involving highly experienced claim staff to be involved in the more complicated claims prior to a denial or termination decision.
- Companies should create a claim audit function, reporting to senior management and ultimately the Board of Directors, to evaluate compliance with claim procedures and law.
- Senior management should evaluate claim staff based on compliance with claim procedures and not the number of claims closed or whether benefits paid/reserved are consistent with the business plan.
- Senior management should consistently reinforce the importance of claim professionals to the organization and reward performance based on appropriate standards such as compliance with claim procedures, the training of subordinates, and compliance with law.

Corporate Organization

- The organization's commitment to compliance should be reinforced by establishing a Board of Directors function responsible for monitoring compliance.
- Senior management, claim management, compliance management and the claim audit leadership should regularly report to this Board committee.

Claim Procedures

- Independent Medical Examiners should be selected solely on the basis of objective, professional criteria and without regard to the results of previous reports. The Independent Medical Examiners should be certified in a professional speciality appropriate to the care that is in review.
- A code of conduct should be adopted for all medical professionals used by the company which includes a commitment to provide fair and reasonable evaluations considering all available medical, clinical, and/or vocational evidence, both objective and subjective, bearing on impairment. With each determination the medical professional should certify that he or she has reviewed all the evidence provided.
- Claim staff should provide the medical professionals with all available medical, clinical and/or vocational evidence in the claim file, both objective and subjective, concerning impairment.
- Significant weight should be given to the fact of a Social Security Disability Insurance award absent an error of law, inconsistency with applicable medical evidence, or inconsistency with the disability definition in the policy.
- When co-morbid conditions are present, claim staff should ensure that all diagnoses and impairments are considered and afforded appropriate weight in developing a coherent view of the claimant's medical condition, capacity and restrictions/limitations.

W:\Sep08\Cmte\D\wg\Consr Prot\TX Comments.doc