

Allstate Insurance Company
Claims Manual

1. CCPR Implementation Training Manual (Tort States) July, 1995
2. Implementation Approach July, 1995
3. Unrepresented Segment Training July, 1995
4. Trainer Manual
5. Uninsured Motorist Unrepresented Segment Training July, 1995
6. Unrepresented Role Plays
7. Evaluation Training July, 1995
8. MIST Training - Tort States July, 1995
9. Trainer's Guide: KIST Training
10. MIST Role Plays July, 1995
11. SIU Segment Training July, 1995
12. Casualty SIU Best Practices Guidelines
13. Trainer's Guide SIU Process Redesign
14. Managing the MCO Environment During Implementation - Changes Roles and Communications
15. Managing the MCO Environment During Change - MCO Breakout Session
16. Organization Workshop July, 1995
17. Adopting a New Approach to Measurement July, 1995
18. Measurement Training Guide
19. CCPR Implementation Manual Measurement Module Addendum
20. Casualty Development Summary (CDS) July, 1995
21. Instructions to Access Unrepresented Claimant Oasys Contact Letters
22. State Specific Trial Results

CONFIDENTIAL

CCPR IMPLEMENTATION TRAINING MANUAL

(TORT STATES)

PROPERTY OF ALLSTATE INSURANCE COMPANY
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

JULY, 1995

This Claim Core Process training manual may reflect some limited changes to casualty practices and procedures currently described in the CPPP. To the extent that information in the Core Process materials conflicts with the CPPP, the Core Process manual takes precedence. In all other cases, the material and subjects in the CPPP remain valid.

While the Core Process manual reflects changing casualty practices and procedures, it is still subject to revision as the project continues. Consequently, the CPPP will not be updated until Casualty Core Process is completed. At that time, all changes to Casualty practices and procedures will be incorporated in the CPPP, and will be updated under the traditional revision process.

Furthermore, all of our processes must comply with state laws, regulations and court decisions. To the extent that the procedures, processes, forms, scripts or other material conflict with your state's laws, state law will take precedence. The material in this manual must be modified or revised to conform to state law when implementing Core Process practices and procedures.

CONFIDENTIAL

Claim Core Process Redesign

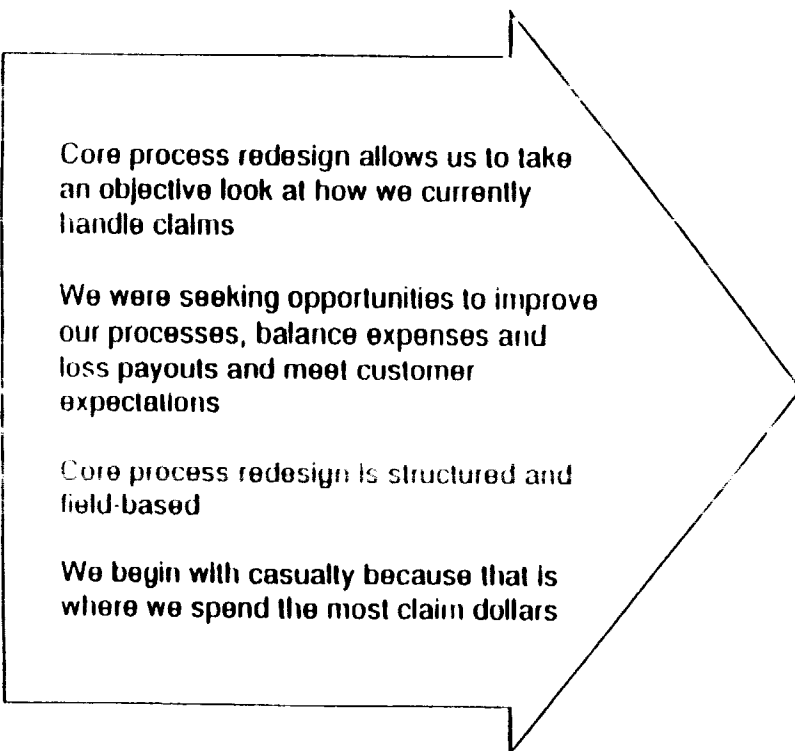
ALLSTATE INSURANCE

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

The claim department has a long history of growth and success. Yet, while we are strong in many areas, our competitors are better in others. It's time to make fundamental changes.

ORIGINS OF CLAIM CORE PROCESS REDESIGN (CCPR)



Core process redesign allows us to take an objective look at how we currently handle claims

We were seeking opportunities to improve our processes, balance expenses and loss payouts and meet customer expectations

Core process redesign is structured and field-based

We begin with casualty because that is where we spend the most claim dollars

We want to be recognized as the premier claim organization in the industry

Our change goal is to **redefine the game** . . . to question, improve and radically alter our whole approach to the business of claims.

GOALS OF CLAIM REDESIGN

From

. . . an emphasis on **expense control** as our key contribution to the company

. . . a suspicion that **increases in severities could not be managed** and were "the cost of doing business"

. . . an assumption that **attorney representation on claims was inevitable** and in some cases should be encouraged

. . . a mindset that the **individual big dollar claims were most critical** to MCO results



To

. . . **recognition that expense control alone will not allow us to effectively compete**

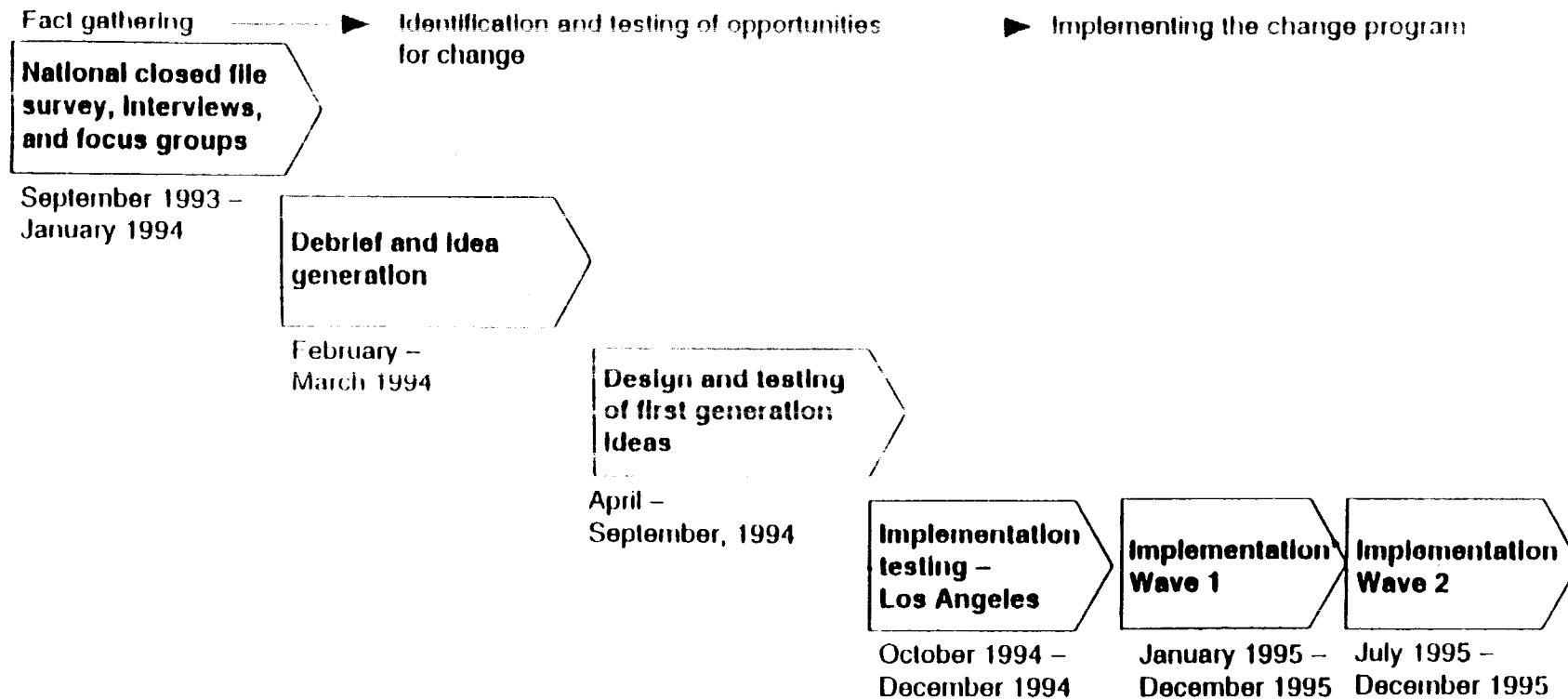
. . . an understanding that **we can and should manage specific components of severity to provide greater financial support to the company**

. . . a realization that **the way we approach claimants and develop relationships will significantly alter representation rates and contribute to lower severities**

. . . a learning that **our volume of small- to mid-sized claims actually offers the greatest opportunity for improvement**

We have completed the first four phases of the redesign process and are now proceeding with the regional implementation approach.

CASUALTY CLAIM REDESIGN PROCESS

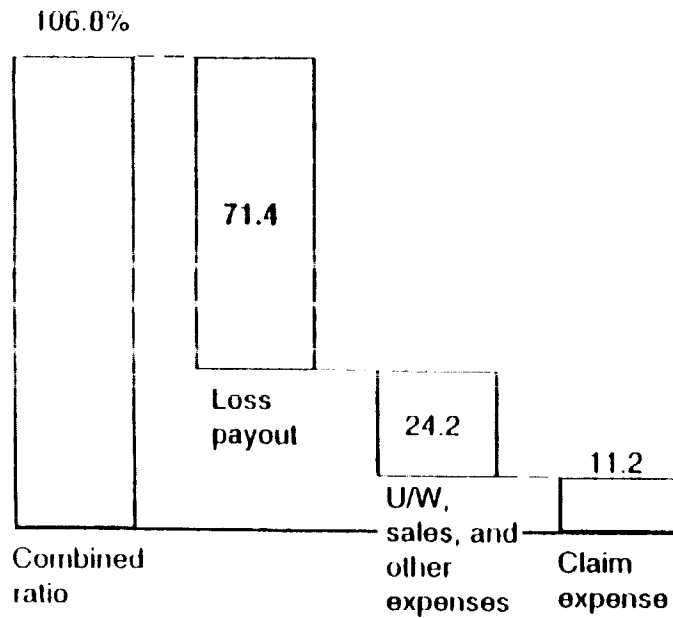


Atlanta, Capital, Chicago Metro, Dallas, Florida Atlantic, Florida Gulf, Houston, Long Island, LA Metro, New England, New Jersey, NY Liberty, Seattle, Southern California, Valley Forge

Of the components that account for paid losses, BI is by far the largest. Controlling loss payout is clearly the most effective means of controlling casualty costs.

COMPONENTS AND SENSITIVITY OF CASUALTY PROFITABILITY

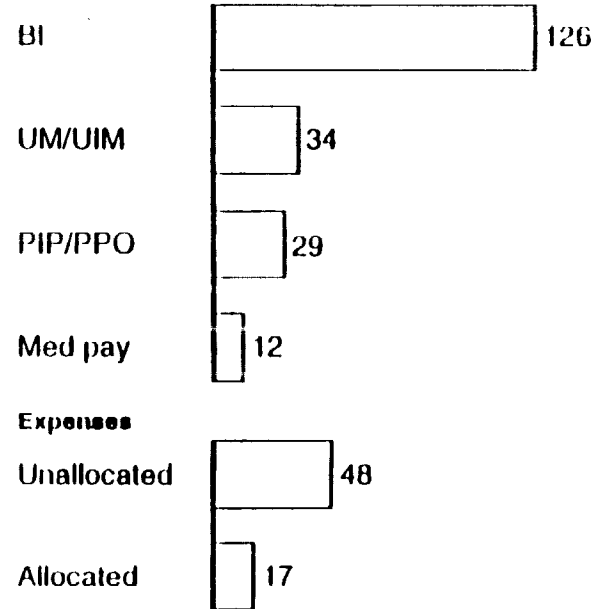
Components 1992



IMPACT OF 5% REDUCTION

\$ Million

Loss dollars



Source: A.M. Best, OIS

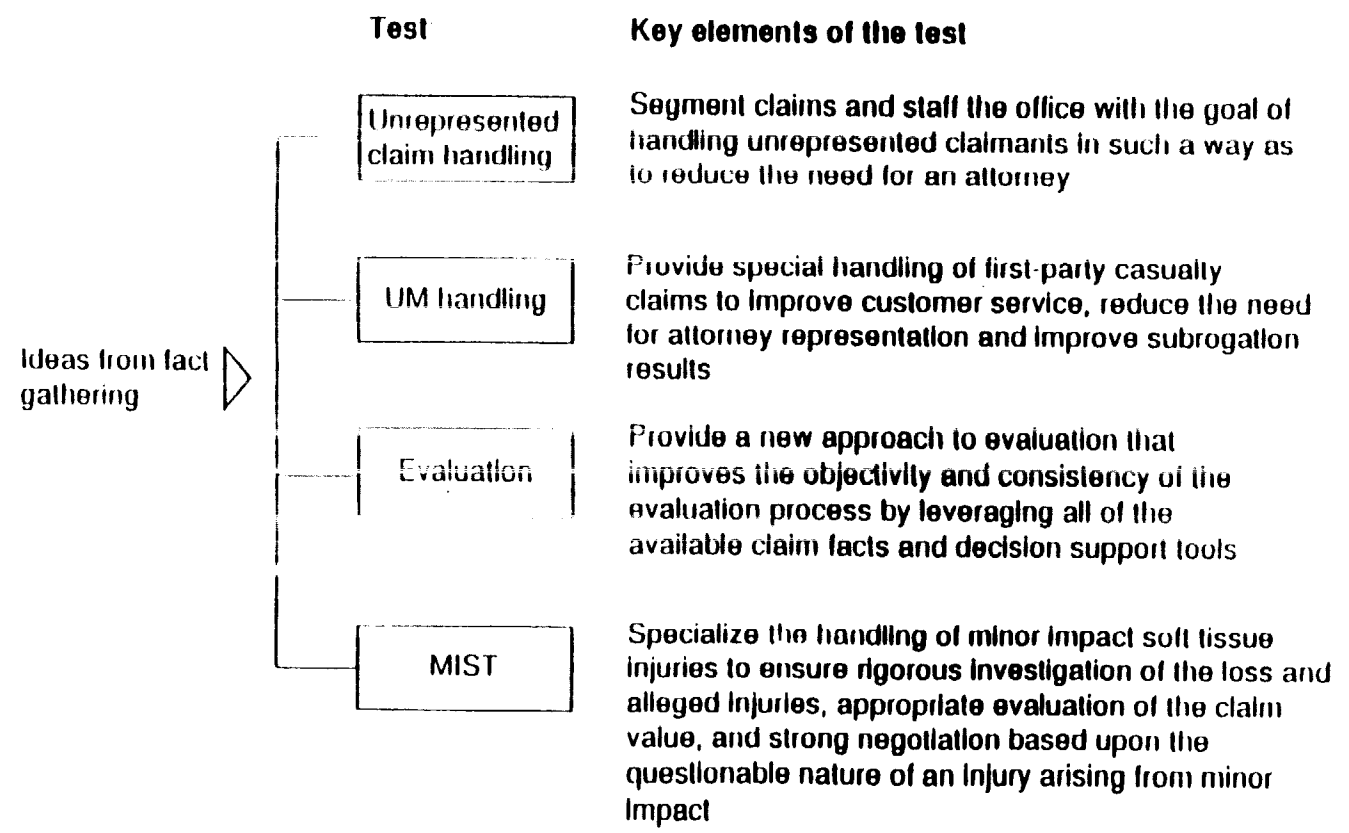
This overview covers the highlights of CCPR process changes, results of the tests, and approach to measurement.

DISCUSSION TOPICS

- **Design and testing of solutions**
- **Overview of redesigned core claim handling processes and test results**

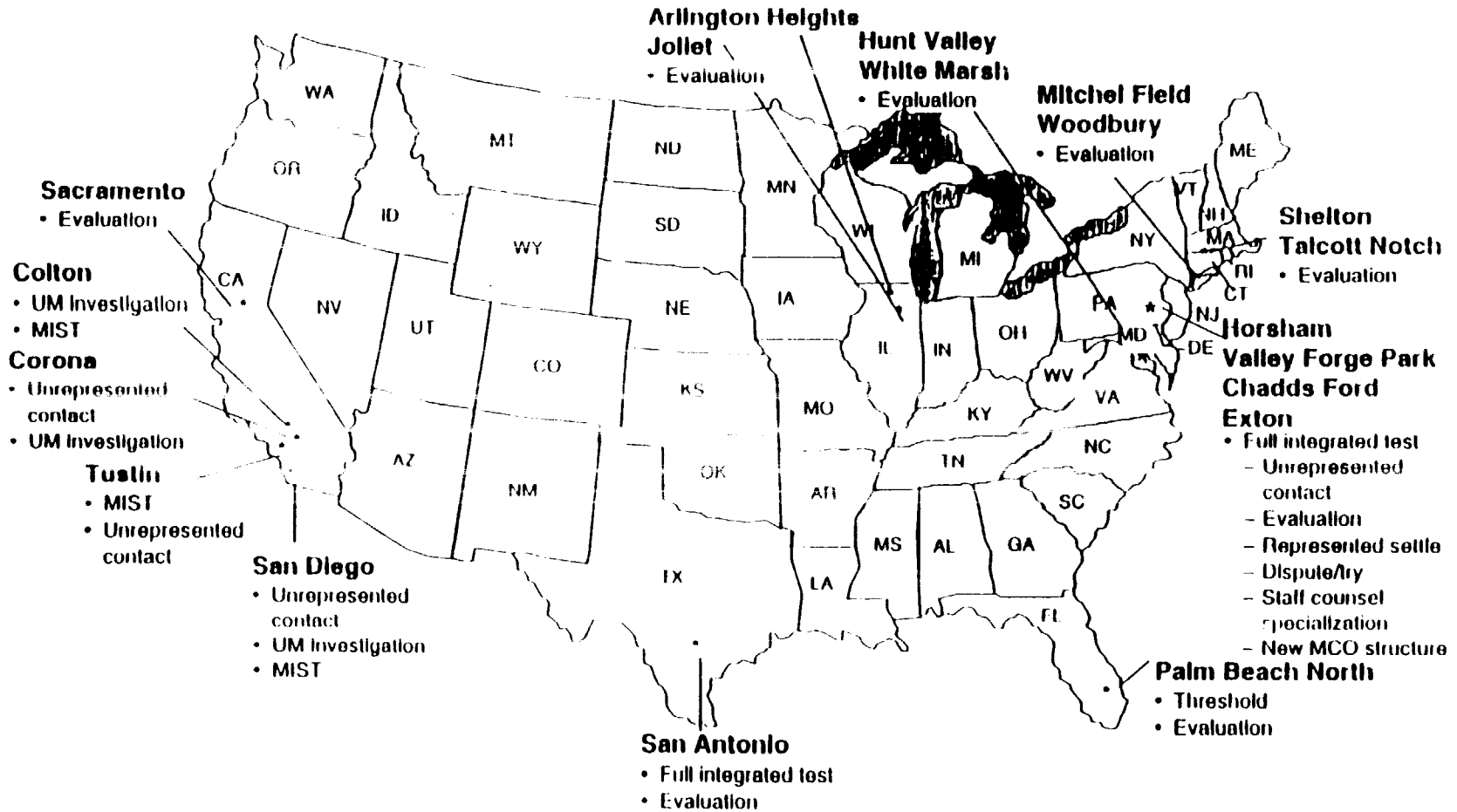
To capture the potential opportunities identified in the fact gathering phase of the CCPR project, four test processes were designed.

CLAIM CORE PROCESS TEST IDEAS



New processes have been tested successfully in 18 sites around the United States

FIRST GENERATION TESTING MAP



UNREPRESENTED CLAIM HANDLING

Unrepresented claims are handled by a specialized set of claim representatives who handle unrepresented claimants from open to close.

KEY OBJECTIVES IN UNREPRESENTED CLAIMANT HANDLING

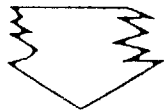
Establish a trust-based relationship through:

- **Extremely rapid initial contact to educate claimants about Allstate's approach to fair claim settlement**
- **Anticipation and resolution of a broad range of claimant needs in a genuine and empathetic manner**
- **Rapid liability investigation and amicable resolution of property damage issues to maintain rapport**
- **Eliminate unnecessary claimant and file transfers between claim representatives**
- **Regular follow up claimant contact to reduce the need for attorney involvement**
- **Appropriate settlement offers and explanations to ensure claimants have the opportunity to make an informed economic decision**

The approach to unrepresented claim handling focuses on reducing the need for representation by providing claimants with a high level of service.

APPROACH TO UNREPRESENTED CLAIM HANDLING

- Immediate clearing of MCO bank
- Rapid contact of all claimants
- Expanded contact hours to match claimant needs
- Claimant letter/pledge

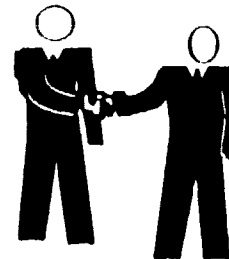
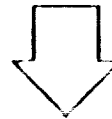


COMPRESS TIME



Third-party contact

- Quick liability calls
- Genuine empathy (especially toward injury)
- Greater LOU flexibility/more direct billing
- Helpful management of medical bills
- Proactive discussion of attorney economics
- Claimant letter/pledge
- Face-to-face contact where beneficial
- Settlement at claimant's desired pace



Establish and
maintain rapport

This new approach has reduced contact time in all tests.

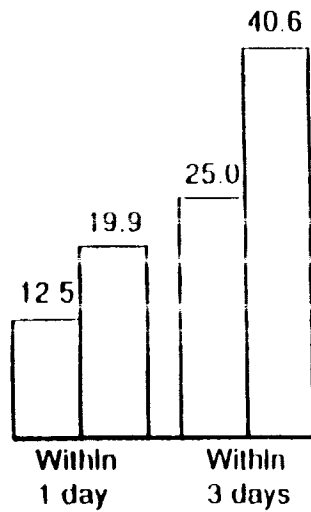
CONTACT TEST RESULTS

Days from loss to contact

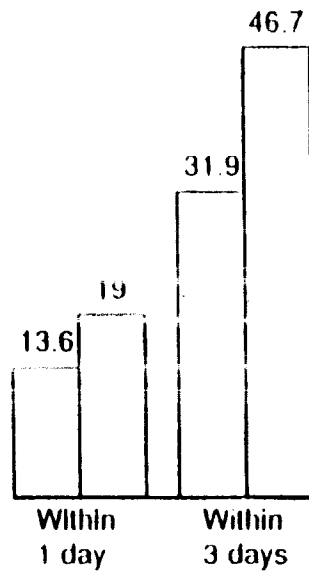
Percent of claimants contacted



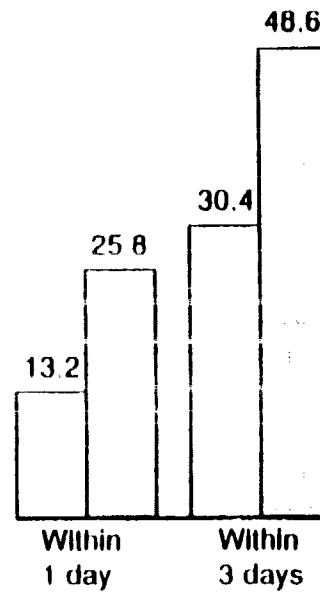
Test A



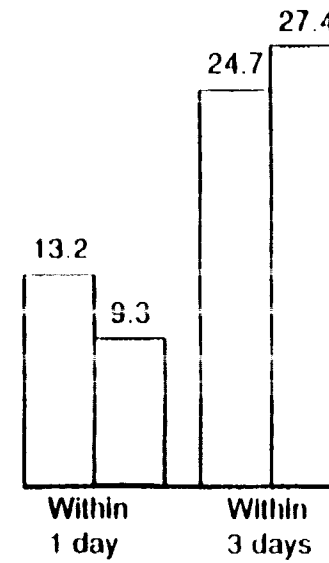
Test B



Test C



Test D

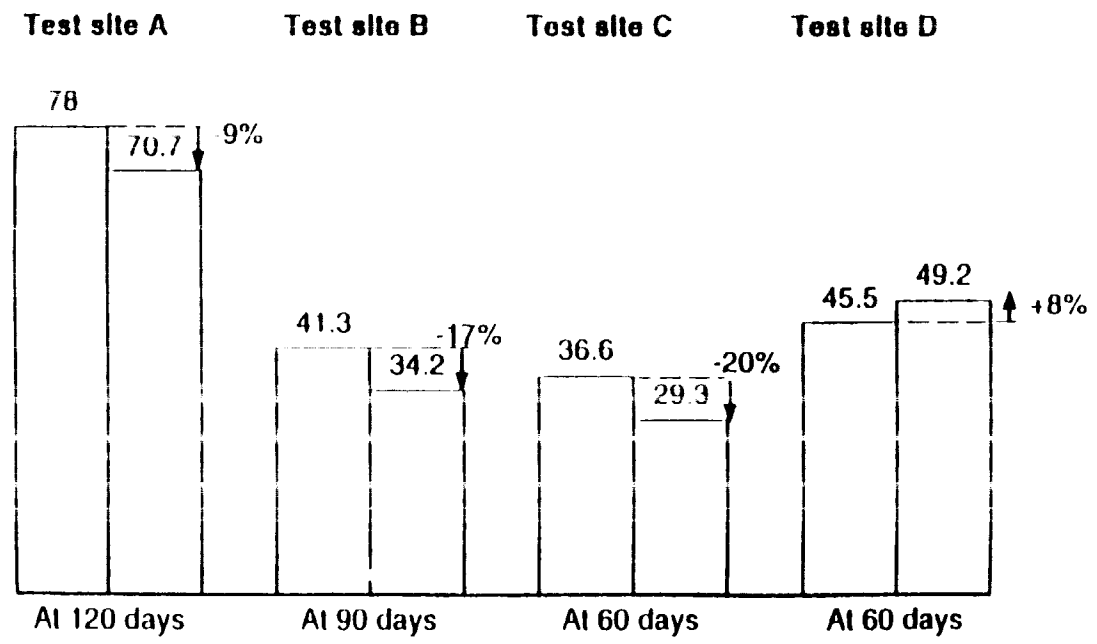
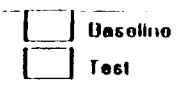


Across the board improvement in contact times

Early results from the unrepresented segment test show that quicker contact and the new approach to unrepresented claim handling can reduce representation rates.

DEVELOPMENT OF REPRESENTATION

Percent of claimants represented



Source: Measurement database

UM FILE HANDLING

The approach taken to UM file handling is similar to the unrepresented segment with the addition of tools to enhance the identification of third-party assets and subrogation.

UM FILE HANDLING

Unrepresented
segment tactics

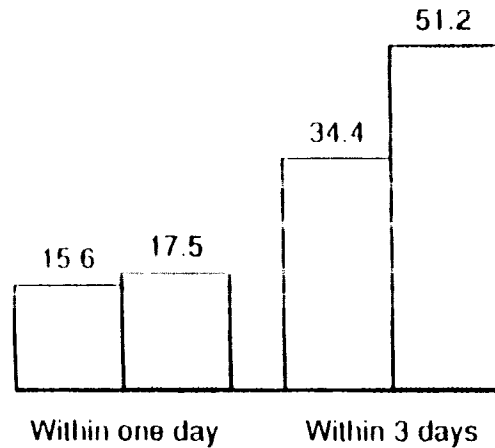
- **Extremely rapid initial contact to educate UM claimants about Allstate's approach to fair claim settlement**
- **Anticipation and resolution of a broad range of claimant needs in a genuine and empathetic manner**
- **Rapid liability investigation and amicable resolution of property damage issues to maintain rapport**
- **Reduction of unnecessary UM claimant and file transfers between claim representatives**
- **Regular follow-up UM claimant contact to reduce the need for attorneys**
- **Appropriate settlement offers to ensure UM claimants share the opportunity to make an informed economic decision**
- **Specialized tools to identify third-party assets or insurance and enhance subrogation**

Results from the UM test are quite similar to the results from the unrepresented claimant handling test. Once again, the greatest value lies in contacting Insureds rapidly and establishing a relationship with them, thus reducing the need for attorney representation.

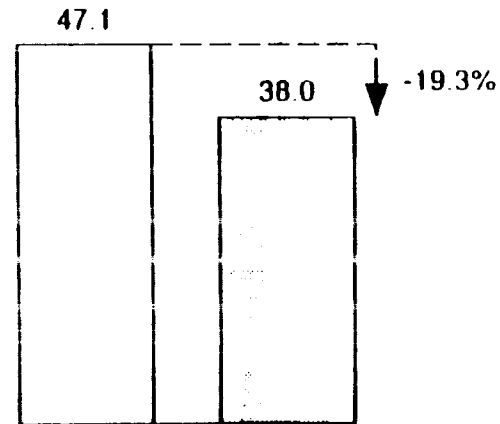
COLTON UM TEST RESULTS

□ Baseline
□ Test

Contact time – days from loss to contact
Percent of claimants contacted



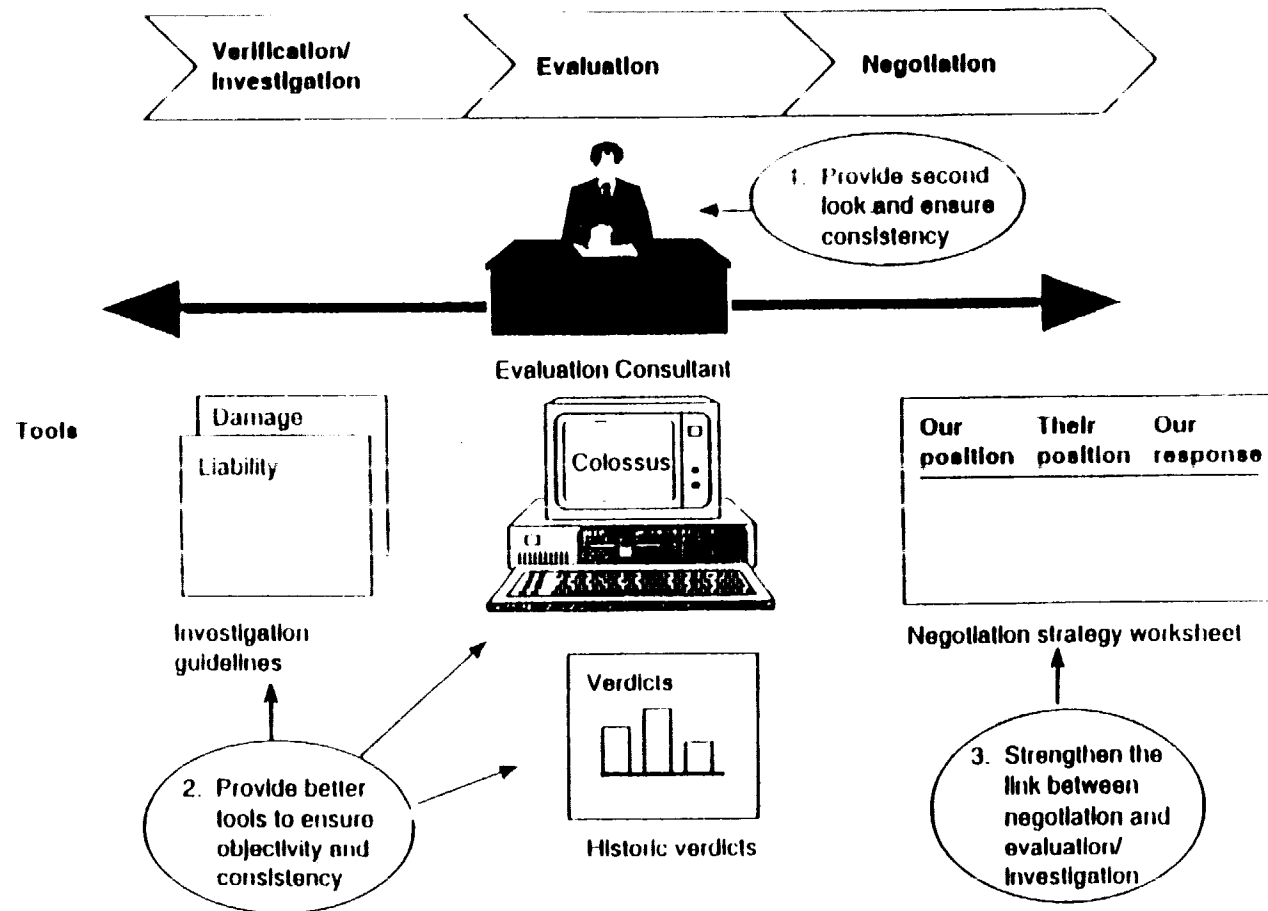
Development of representation
Percent of Insureds represented – at 90 days



EVALUATION

The evaluation approach enhances objectivity, consistency, and negotiations through better investigation/evaluation tools, a "second look", and a tighter link to negotiation.

KEY IMPROVEMENTS IN THE NEW EVALUATION APPROACH



For unrepresented cases where flexibility is of great importance, an alternate method for value calculation – "The Fast Track" – will be utilized.

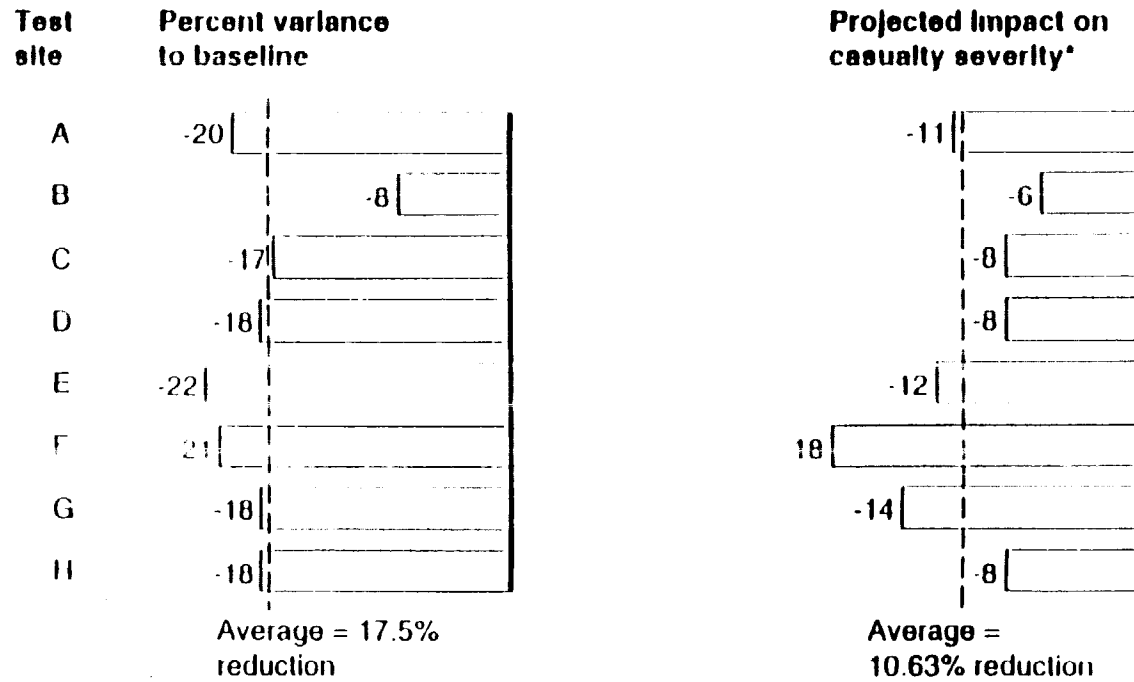
USE OF FAST TRACK EVALUATION SOLUTION

Improvements	Rationale
1. Unrepresented soft tissue claims with less than 30 days of treatment can be settled using the fast track	Fast-track scope must be restricted to the simplest soft tissue cases where only 2-3 major factors can drive value
2. Values will be fine-tuned by local markets	Dollar values differ by market
3. Second look will not be applied to fast track	Provide flexibility to claim rep and enable face-to-face settlements when appropriate

The results from the evaluation tests have extremely positive with an average reduction of nearly 18 percent on files that have gone through the evaluation process.

EVALUATION RESULTS

Percent



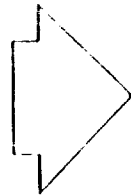
* Not all casualty files go through this process. For example, unrepresented "Fast Track" settlements and fatalities are excluded

MIST SEGMENTATION

The MIST solution focuses claim representative efforts on a specific segment of represented claims.

MIST SOLUTION

Minor
Impact
Soft
Tissue



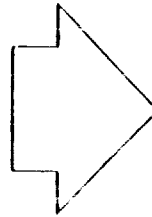
- **Represented**
- **Soft tissue injuries**
- **Arising from minor impact accidents**
- **Emphasis of the defense would be that an injury is unlikely to have occurred**

The MIST segment was established to develop a comprehensive solution to a national problem.

CHANGES TO THE MIST SEGMENT

Current situation

- Inflation in MIST settlements driven by
- Representation rates
 - Internal expense focus (limited investigation and defense)
 - Closure pressure
 - Fear of losing litigation
 - Pressure to use specific settlement methods (for example, ADR)
 - Fear of excess judgments



Solution

- The solution, therefore, needs to be enhanced segmentation and end-to-end handling of Minor Impact Soft Tissue claims
- Strengthening investigation and verification, where appropriate
 - More consistent and objective evaluations
 - Negotiation strategies well prepared, based on the merits of each case
 - A willingness to try all cases where appropriate settlement cannot be reached
 - Settlement methods tailored to each individual case

As the name suggests, MIST files are segmented on the basis of property damage and injury type.

FILE SELECTION CRITERIA – MIST SEGMENT

Criteria	Typical percent of pending	Rationale
PD under \$1,000 (or other evidence of minor impact)	20-25	Minor impacts allows for focus on impact defense
Soft tissue alleged		Similar characteristics – clear strategies
Represented		

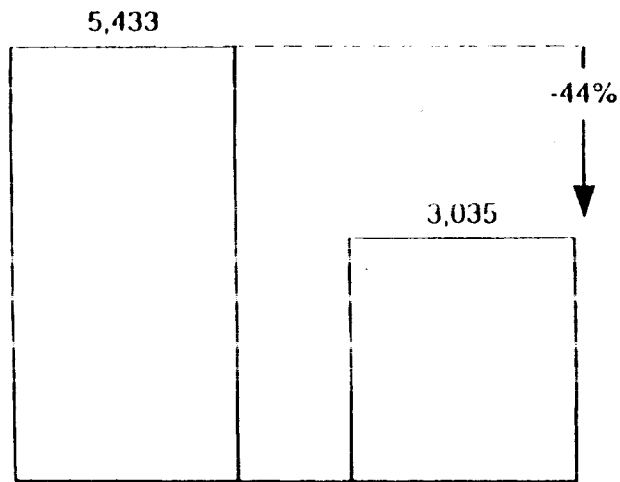
Results from the MIST test show improvements in CWA severity. An additional benefit is an increase in the number of CWPs.

TEST RESULTS – MIST DESK

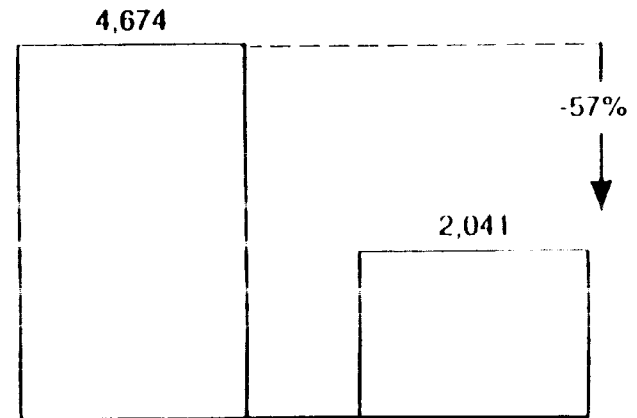
92 settlements

Baseline
 Test

MIST paid severity
Dollars
26 CWPs



MIST closed costs
Dollars



Based on key findings of the analytic phase, key elements were identified for the SIU test.

KEY FINDINGS/TEST ELEMENTS/LEARNINGS

Key findings from the analytic phase	Key elements of the SIU test	Early learnings
<ul style="list-style-type: none"> • Opportunity for improvement in uniform, objective identification of fraud files at MCO level • No uniform approach in the handling of SIU cases • No process for addressing patterns of fraud other than on a per file basis • Different types of SIU processes and organizational structure across regions 	<ul style="list-style-type: none"> • Introduction of a casualty transfer guide • Introduction of an SIU casualty best practices guide • Installation of an SIU analyst function designed to address patterns of fraud • Establish "design principles" as the basis for organizational design and processes 	<ul style="list-style-type: none"> • Effectively identifies potential fraud to be handled in SIU • Promotes early transfer • Results suggest an increased volume of SIU referrals • Emphasizes importance of timely, intensified investigative techniques to achieve better outcomes • Focuses on fraud aspects of file • Analysts are networking with the law enforcement community • Projects are underway on indictment activity and a chiropractic medical bill scale • SIU more effective with a market focus alignment • Enhanced efficiency in file flow/tracking processes

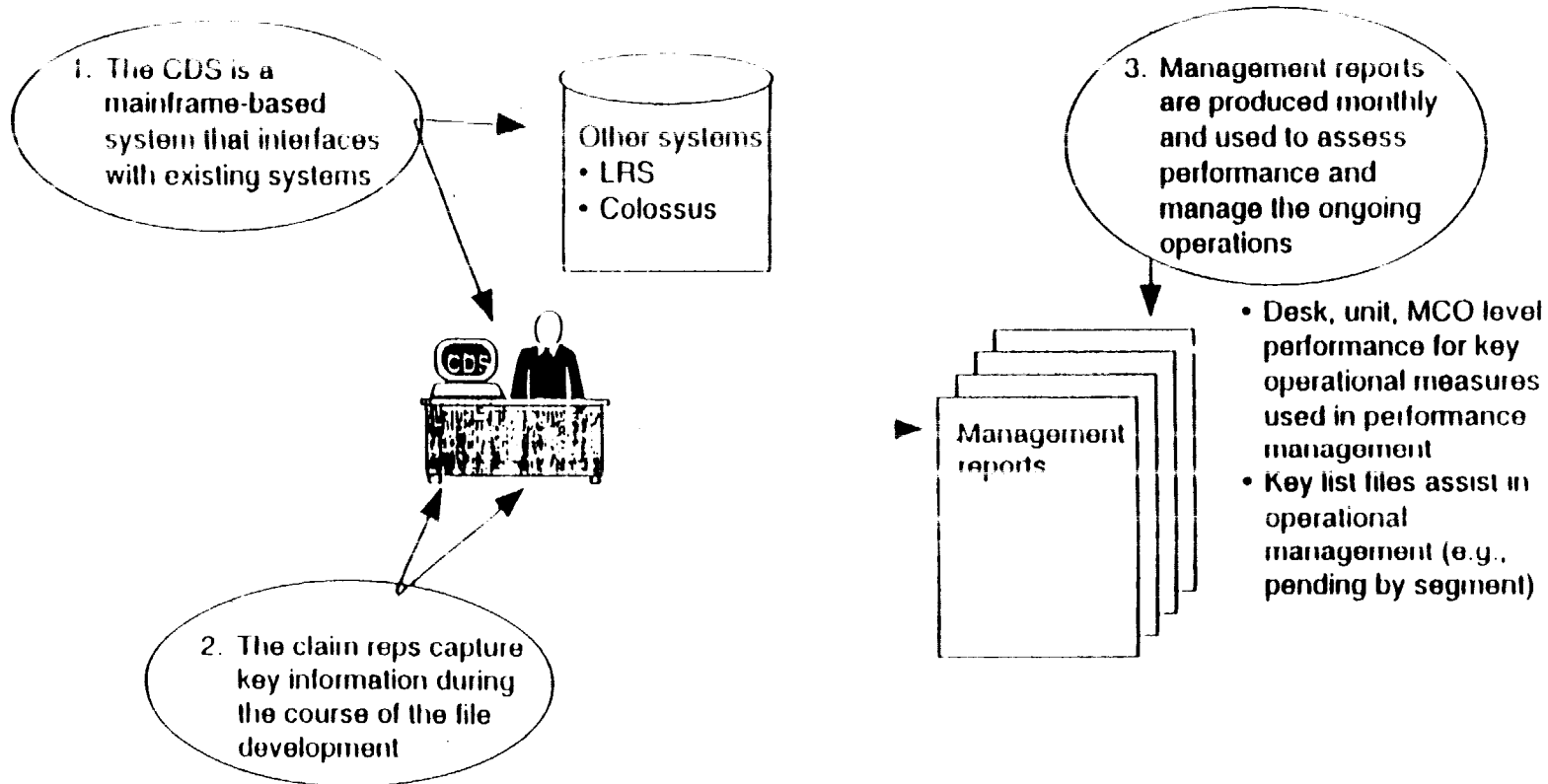
The claim development summary, CDS, is an important element of the CCPR changes and measurement.

CDS OBJECTIVES

- **Capture the information required for measurement for operational and performance management at the MCO, unit, and individual levels**
- **Ensure well organized/structured approach to file development that is consistent with the process changes**
- **Provide a summary in the standard format that will allow for future analysis around process changes (e.g., what investigative techniques are most effective?)**
- **Supplement Colossus and other reporting, and to an extent, replace diary documentation**

The CDS system is the cornerstone of the new measurement system.

CDS APPROACH



CONFIDENTIAL

Implementation Approach

ALLSTATE INSURANCE

JULY, 1995

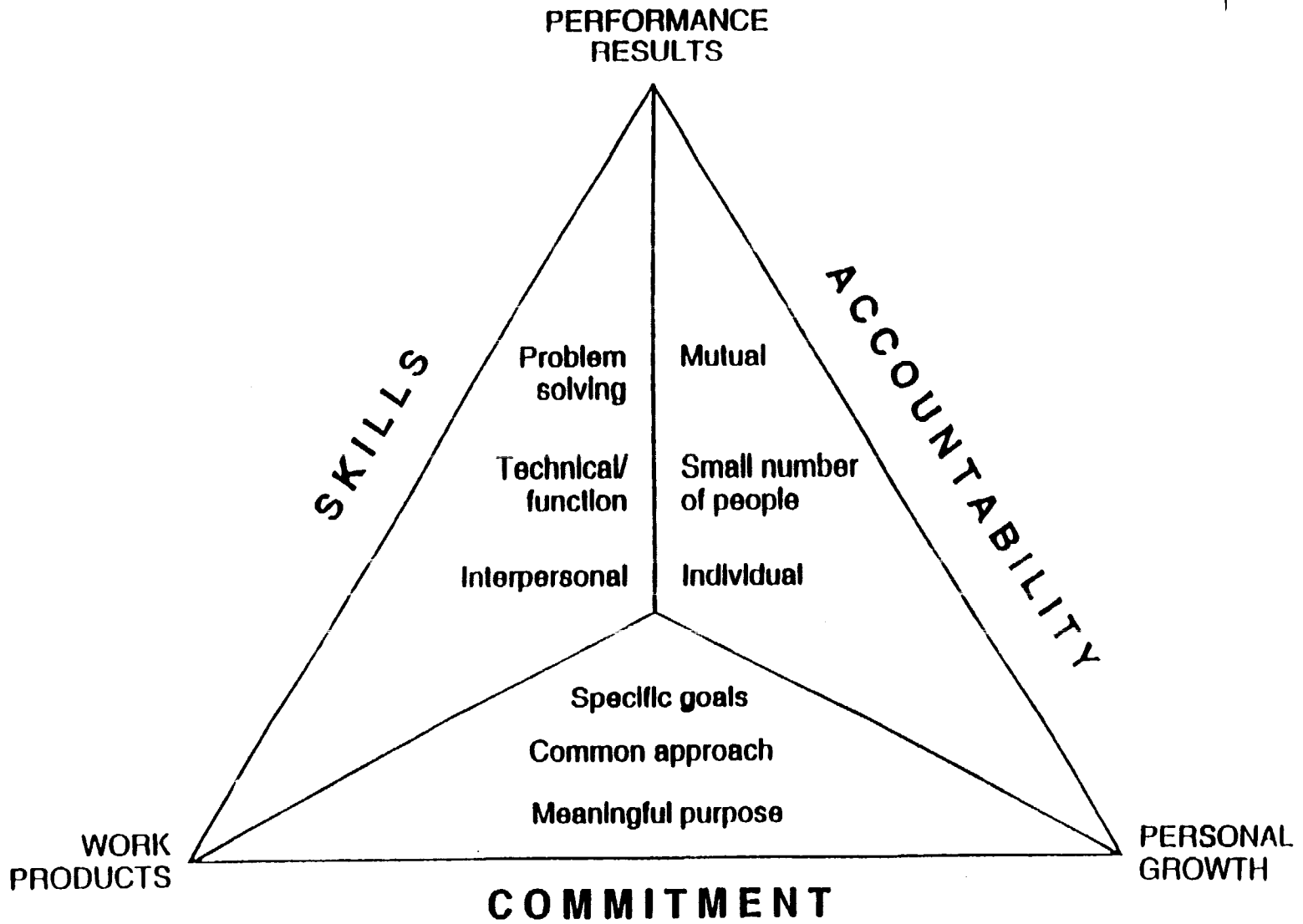
In addition to your role as trainers, you'll also need to be change champions. Both roles are critical to success



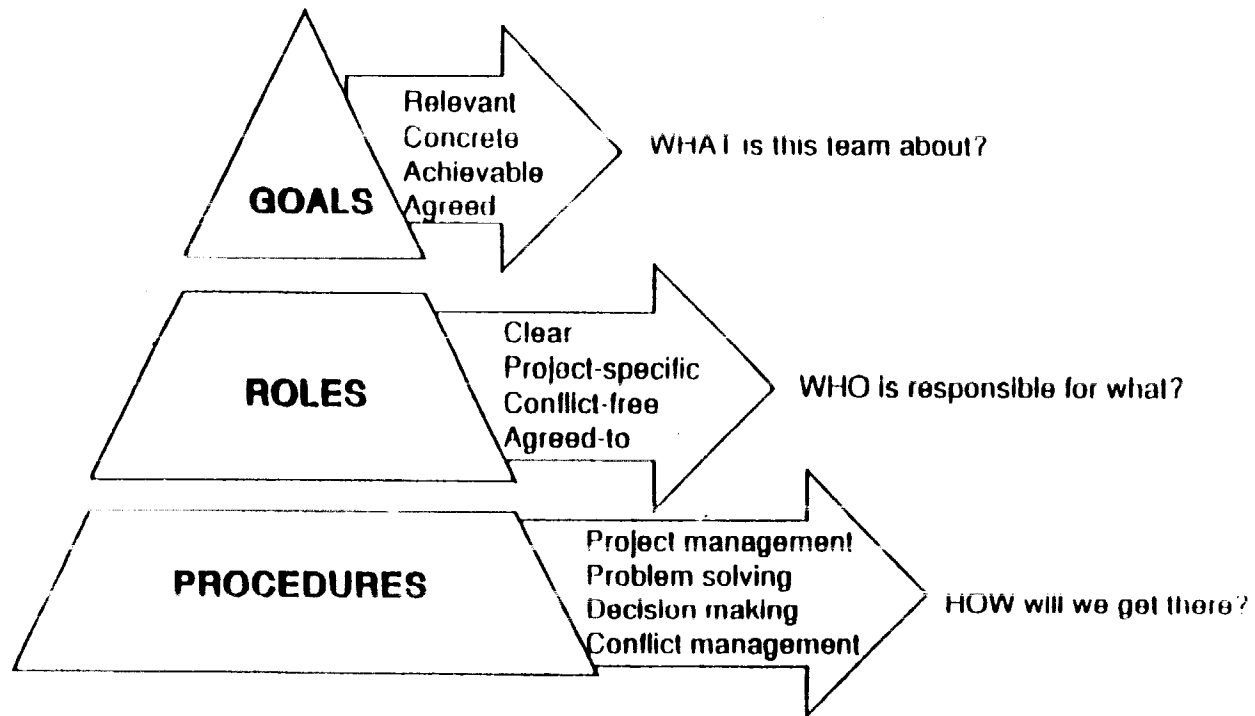
**DEFINITION OF A TEAM:
DISCIPLINED PURSUIT OF PERFORMANCE**

"A team is a small number of people with complementary skills who are committed to a common purpose, performance goal and approach for which they hold themselves mutually accountable."

FOCUSING ON TEAM BASICS



Effective teams address these critical areas:



TEAM DEBRIEF QUESTIONS

Overall

- **What stands out for you about the information you received this morning?**
- **Are there any issues that concern you?**

Team Structure

- **What are your goals as a team?**
- **How will you work together (expectations, ground rules)?**

Before we begin detailed process training, it is important to understand the overall implementation picture.

IMPLEMENTATION CHALLENGE

- Implement a set of changes across the country by the end of 1995
- The magnitude of the challenge is large given the scope of the claims operations
 - 28 regions
 - Approximately 150 casualty MCOs
 - Over 3,000 people will be impacted

DESIGN PRINCIPLES

Based on the field and home office feedback, the following design criteria have been developed.

DESIGN PRINCIPLES

Beliefs/comments

- Local ownership is crucial to success
- Results are more favorable with ongoing support
- Deep, conceptual understanding of the goals is vital
- Implementation team alone will be unable to provide required coaching
- Involving field personnel in training is an effective way to build understanding and ownership



Design principles

- Implementation team needs to provide a combination of technical training and ongoing support
- Regional and local champions must be established
- Have field personnel lead the training effort when possible

The work of the implementation teams falls into four general areas.

IMPLEMENTATION TEAM'S ROLE

- **Assisting MCOs with pre-work**
- **Management overview**
- **Centralized regional training**
- **MCO follow up and consultation**

IMPLEMENTATION APPROACH

A 10-week implementation schedule has been developed.

REGIONAL TRAINING

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
	MCO prework	Management overview	Organization prework	Regional trainer's meeting	MCO and SIU training		MCO and SIU follow-up		Begin cycle with next cluster	MCO follow up
Description	Preliminary data gathering to establish baselines and input to organizational model	Provide regional/local management with basic understanding of process and schedule	MCO/SIU management groups finalize organizational decisions	Detailed training on all processes and organizational requirements provided to local trainers	MCO is trained on specific items <ul style="list-style-type: none"> • Unrepresented • Evaluation • MIST • UJM • Measurement • SIU transfer guide • SIU is trained on new processes 		Implement process Transfer pending Provide onsite approach		See week 1	See weeks 6 to 8
Location	MCO	Central to region	MCO	Central to region	MCOs/SIU		MCO/SIU			
Participants	TCM CCMs MCMs UCMs	RVP TCM Reg. Staff CDM MCMs CCMs Managing Attorney SIU manager Claim opr. mgr. Auto PCM	TCM CDM MCMs CCMs UCMs SIUM	TCM Controller HR Manager CDM MCMs CCMs Evaluation Consultants Unrep UCM MIST UCM CLOPs Managers Managing Attorney	CCPR team Local Champions MCO participants SIU		MCO CCPR team Regional management SIU			

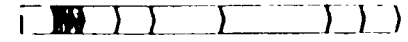


Prior to launching the implementation effort in the region, some important ground work must be laid.

1

MCO PREWORK

Activity	Description/purpose	Responsibility
MCO prework • Baseline surveys • MCO organizational profiles • Analysis of C122s	Each MCO completes a file survey, MCO profile, and analyzes the C122 to establish measurement baselines and provide input into the staffing model	Team leaders, TCM, MCMs, CCMs
Logistics planning	Team leader works with the region and home office to arrange logistics for management overview and training meetings	Team leaders, TCM
Staffing model discussion with TCM, RVP, controller	Team leader meets with TCM, RVP, and Controller to discuss preliminary implications of staffing model results and potential actions	Team leader

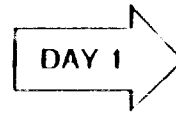


The objective of the management overview is to build understanding of the key components of CCPR in the regional and MCO management groups.

MANAGEMENT OVERVIEW

Objectives for meeting participants

- Build conceptual foundation of ideas
- Understand processes enough to identify people for key positions
- Answer questions
- Begin organizational thinking

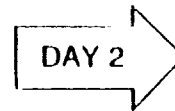


Agenda

- Introduction
 - Background
 - Design and test results
 - Process overviews
- Evaluation

Format:

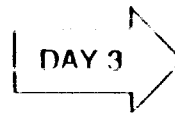
- Centralized by region



- Unrepresented BI and UM
 - MIST
 - SIU

Participants:

- RVP*
- TCM
- Regional staff*
- Controller
- CDMs
- MCMs
- CCMs
- Managing attorney
- SIU manager
- Claims ops managers
- Auto PCM*



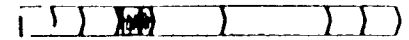
- Organization
- Measurement
- Implementation approach

* Not required to attend beyond introduction section

Implementation teams will support their MCOs and SIUs as they think through some important organizational issues.





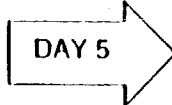
ORGANIZATIONAL PRE-WORK

- Development of MCO structure and work flow
- Development of SIU structure and work flow
- Selection of specialists/trainers
- Placement of individuals in the new organization
- Overview meeting with MCO conducted by MCM/CCM
- Overview training for SIU



The objective of Week 3 is to position the local champions to deliver the CCPR training in their MCO during Weeks 4 and 5.

CENTRALIZED REGIONAL TRAINING

Objectives	Agenda	Participants
<ul style="list-style-type: none"> Position local champions to be MCO/CCPR trainers 		<ul style="list-style-type: none"> All
<p>Participants:</p> <ul style="list-style-type: none"> RVP TCM Regional staff CDMs MCMs CCMs Managing attorney/staff counsel Controller HR manager SIU manager Claim Op manager 		<ul style="list-style-type: none"> Unrepresented UCMs MIST UCMs, Staff Counsel, SIU manager Evaluation Consultants TCM, CDM, Controller, Claim Ops Manager, MCMs, CCMs, HR manager
		<ul style="list-style-type: none"> Unrepresented UCMs MIST UCMs, Staff Counsel, SIU Manager Evaluation Consultants TCM, CDM, Controller, Claim Ops Manager, MCMs, CCMs, HR Manager
		<ul style="list-style-type: none"> See Day 2
		<ul style="list-style-type: none"> ECs only

Day 1 schedule can be completed in 4 hours; days 2-4 require 8 hours

The local training effort is intensive. The MCM/CCM must balance the training needs with ongoing coverage.

SAMPLE TRAINING SCHEDULE

EXAMPLE

<p>Day 1 Rep evaluation – group 1 (7 hours)</p>	<p>Day 2 Rep evaluation – group (7 hours)</p>	<p>Day 3 Rep evaluation – group 1 (4 hours) Rep evaluation – group 2 (4 hours)</p>	<p>Day 4 Unrep rapport (7 hours) Rep evaluation – group 2 (7 hours)</p>	<p>Day 5 Unrep rapport (7 hours) Rep evaluation – group 2 (7 hours)</p>
<p>Day 6 Unrep evaluation (7 hours) MIST (7 hours)</p>	<p>Day 7 Unrep evaluation (7 hours)</p>	<p>Day 8 Unrep evaluation (4 hours) SIU training guide (4 hours)</p>	<p>Day 9 UM – unrep (4 hours) CDS training (4 hours)</p>	<p>Day 10 Measurement approach and CDS (4 hours)</p>



Implementation teams also play an important follow-up role in the MCOs.

|

MCO FOLLOW UP AND CONSULTATION

Objectives

- Partner with management to identify and help resolve concerns
- Support accuracy and delivery of MCO training
- Act as resident expert on CCPR process questions

An implementation "checklist" should be developed with the assistance of regional and MCO management to provide structure to implementation followup and to serve as the basis for discussion during subsequent visits.

ISSUES TO COVER DURING FOLLOW-UP

Suggested

contact Suggested issues to cover (Are you . . .?)

- TCM
- . . . determining how CCPR measurements will be integrated into regional measurements?
 - . . . embracing and supporting all CCPR goals; acting as a leader for change?
 - . . . maintaining the integrity of the change initiatives (e.g., no back sliding on hours, segmentation, etc.)?
 - . . . communicating changes to other departments (i.e., Sales, Underwriting, HR, etc.)
 - . . . continuing to discuss staffing issues with MCOs

- CDM
- . . . visiting test sites to observe training?
 - . . . coordinating with PRO shops regarding new requirements?
 - . . . coordinating with rental agencies regarding new requirements?
 - . . . coordinating with CCMs on Casualty vendor catalog (blomechs, surveillance, interpreters, photographers, etc.)?
 - . . . communicating changes to other departments?
 - . . . ensuring that staff counsel is in partnership with MCOs and MIST/THRESHOLD ideas?
 - . . . monitoring Colossus training and fine tuning?
 - . . . coordinating regional, segment-specific meetings during followup sessions (i.e., all contact UCMs/ reps)?
 - . . . verifying quality compliance through file reviews with CCMs/MCMs?
 - . . . monitoring other areas indicated by TCM, including identifying trends and "troubleshooting"?

ISSUES TO COVER DURING FOLLOW-UP (CONTINUED)

Suggested contact	Suggested Issues to cover (Are you . . .?)
MCM	<ul style="list-style-type: none"> ... taking ownership for the new initiatives; keeping fully informed on the goals of every segment? ... discussing management style; how to approach managing change? ... monitoring receipts and pending to ensure proper workloads? ... facilitating communication with staff counsel and other units in the MCO to ensure support for casualty changes? ... discussing staffing, hours, and measurement goals for MCO? ... coordinating a local communication plan? ... confirming that old pending has been appropriately transferred? ... making sure file reviews are used to verify compliance with new practices?
CCM	<ul style="list-style-type: none"> ... acting as the CCPA office leader and supporter? ... explaining all measurement processes; communicating and analyzing progress? ... taking ownership for the new initiatives; keeping fully informed on the goals of every segment? ... providing input into Colossus adjustments? ... verifying quality compliance through file reviews? ... confirming that old pending has been appropriately transferred? ... ensuring that Evaluation Consultant backup procedures have been developed and clearly communicated; supporting evaluation guidelines?

ISSUES TO COVER DURING FOLLOW-UP (CONTINUED)

Suggested contact	Suggested issues to cover (Are you . . .?)
UCMs	<ul style="list-style-type: none"> . . . recognizing early successes to drive high performance? . . . using positive feedback and reinforcement? . . . taking ownership for the segment but allowing reps flexibility to suggest improvements? . . . monitoring the use of the vendor data base? . . . verifying quality compliance through and listening/observing? . . . discussing extended hours – why, how, and when? . . . using role plays to reinforce and train? . . . facilitating partnerships with auto and homeowner units and staff counsel?
MIST UCM	<ul style="list-style-type: none"> . . . assessing MIST segmentation of UM claims? . . . confirming that threshold claims go through Colossus?
Evaluation consultant	<ul style="list-style-type: none"> . . . emphasizing accurate input and facilitating comprehensive discussions with claim reps? . . . ensuring that the application of fast track evaluation process is clear? . . . assisting the CCM in the fine-tuning of Colossus? . . . monitoring represented unit file flow through the evaluation process? . . . making sure backup procedures have developed and clearly communicated? . . . monitoring cases to ensure MIST claims are being handled by the MIST desk?

In addition to following up with claims staff, conversations with other areas of MCO organizations will also be affected.

IMPACT ON OTHER FUNCTIONS

Function	CCPR Impact
Human Resources	<ul style="list-style-type: none"> • New position of evaluation consultant may require HR design support • Training, performance, and selection/hiring issues will need special attention • Reorganization may result in reassignment of claim reps
Sales	<ul style="list-style-type: none"> • Agents can significantly impact reduction in contact times by facilitating early notice of loss • Communication to insureds regarding the necessity of good claimant information (name, address, phone, carrier, policy numbers) in the event of loss
Underwriting	<ul style="list-style-type: none"> • Reduced loss cost should reduce premiums in the long run, increasing Allstate's market competitiveness
Controller	<ul style="list-style-type: none"> • New management responsibilities will aid in managing MCO progress

Four teams have been established to drive the implementation effort.

CCPR FIELD IMPLEMENTATION TEAMS

	1 Chris Lovest Team leader	2 Sheryl Thomas Blutt Team leader	3 Jack Ondorovic Team leader	4 Bob Scully Team leader
	Connie Dennis Carl Garcia Hal Palmer George Ragle Melvin Springer Susan Long, SIU	Darryl Armistead Bob Lawrence Mark Lehmann Randy Lewis Kathy Raffice Mark Wegener Cathy Gicker, SIU	Oliver Cannady Walt Davis David Hanna Norbert Hernandez Michael Klein Don Nicholas Debbie Morales, SIU	Donna Gresko Steve Hammer Melva McClain Mike Williams Phil Yancheff Don Zipf Jan Douglas, SIU
7/10 – 9/15	Phoenix	Ohio	Charlotte	Jackson
9/5 – 11/10	Northern California	Indianapolis	Nashville	Denver
10/30 – 1/19	Kansas City	Michigan	Milwaukee	Rochester

CCPR IMPLEMENTATION TASK FORCE

Deb Campbell
Billie Cohen
Debbie Clouser

Pam Creamer
Mike Hurley
Cathy Lazaroff
Marcie Molek

Jack Pepling
Carolyn Sitklewicz
Bill Vanderborg
Steve Wennerstrum

CONFIDENTIAL

Unrepresented Segment Training

ALLSTATE INSURANCE

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

UNREPRESENTED SEGMENT TRAINING

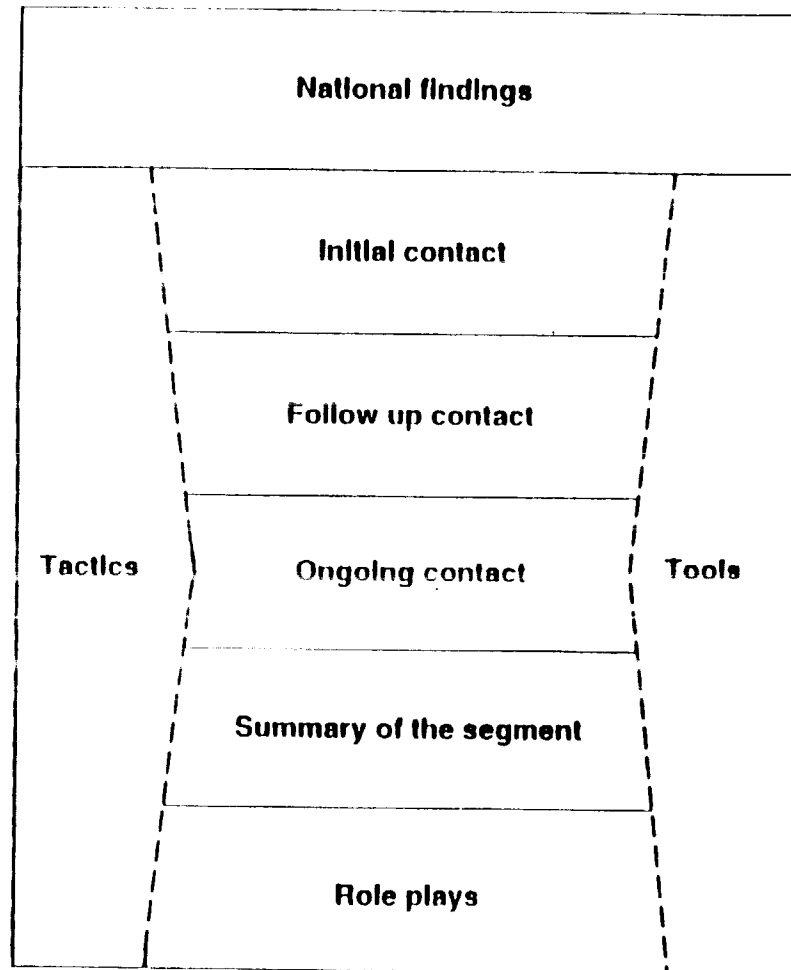


Exhibit 2

UNREPRESENTED SEGMENT TRAINING

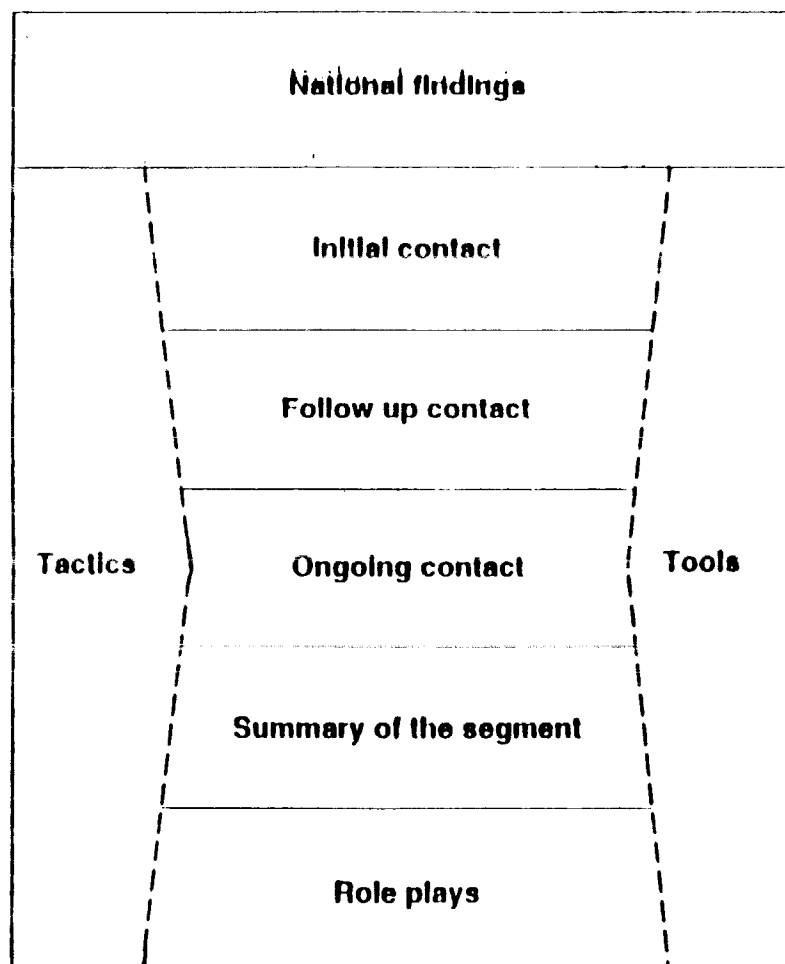
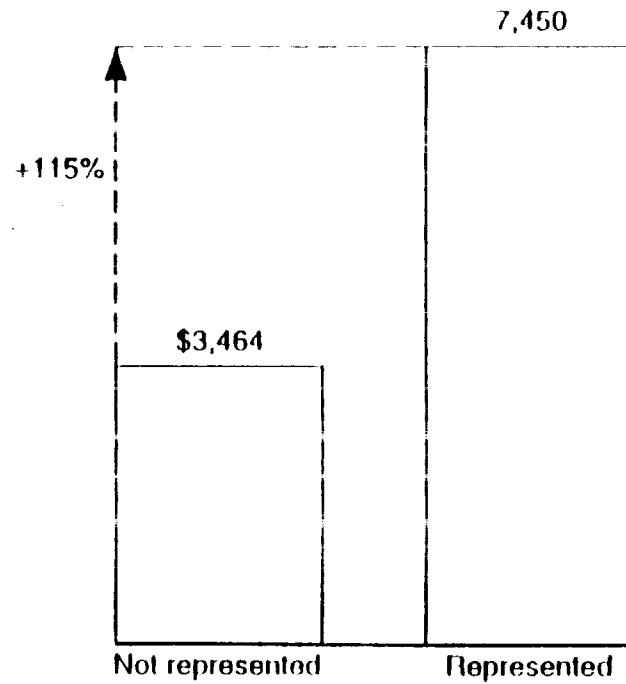


Exhibit 3

BI SOFT-TISSUE CASES \$1,500-15,000

Dollars



**Represented
claims settle for
2-3 times more than
unrepresented
claims**



EXPLANATION OF CLAIMANT FOCUS GROUP



- **Conducted in Philadelphia area, yet representative of broad-claimant population**
- **4 separate groups of claimants**
- **All attorney represented and received BI general damage settlements of between \$5,000 and \$50,000**
- **Represented a mix of subjective and objective injuries**
- **Professional moderator**

Claimant Focus Groups

Key Findings

While you are watching the focus group video, please note your key findings in each section to help facilitate group discussion.

Attorney Section:

1.

2.

3.

Contact Section:

1.

2.

3.

Offers Section:

1.

2.

3.

Overall Comments:

June 1, 1995

KAREN SMITH
13 MAIN ST
PUEBLO CO 13131-3131

Date of Accident: JULY 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Smith:

I recently received notice of your accident involving our policyholder. We may have already spoken, but if not, I will be trying to reach you very soon. In either case, I want to emphasize Allstate's policy that we consider anyone who has been involved in an accident with one of our policyholders an Allstate "customer," who is entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Customer Service Pledge." Please save my business card in case you need to reach me.

If we have not already spoken, please do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

LARRY A. AXELROD
Claim Representative
800-326-0090

CWX/1/02/0
1 Enclosure
Copies to: L. ERIXON
E. T. REDD

CWX - Claimant Contact Pending with Pledge only
CXY - Same letter as above without voice mail reference

Exhibit 5b

BODILY INJURY
PLEDGE



CUSTOMER SERVICE PLEDGE

Because you have been involved in an accident with an Allstate policyholder, we consider you our customer and will provide you with quality customer service. In an effort to provide you with this quality customer service, we promise you the following:

1) We will fully explain the process, take the time to answer all questions and concerns that you may have, and keep you informed throughout the claim process.

2) We will conduct a quick, fair investigation of the facts in your case.

3) To the extent that our policyholder was at fault in the accident:

We will assist you in providing for the repair of your vehicle and arranging for a rental vehicle;

We will help you determine if you are eligible to receive compensation for any injuries you may have suffered; and

We will discuss fair payment for your claim when you feel you are ready.

Your claim representative is dedicated to carrying out this Pledge.

INSERT CLAIM REPRESENTATIVE
BUSINESS CARD HERE

DO I NEED AN ATTORNEY?

1) **AM I REQUIRED TO HIRE AN ATTORNEY TO HANDLE MY CLAIM?**

No. In fact, each year Allstate settles claims directly with many accident victims with no attorneys involved in the claim settlement process.

2) **WILL AN ATTORNEY MAKE THE CLAIM SETTLEMENT PROCESS FASTER FOR ME?**

A recent study by the Insurance Research Council found that people who settle insurance claims without an attorney generally settle their claims more quickly than those who have hired attorneys.

3) **HOW MUCH ARE ATTORNEYS' FEES AND WHO PAYS FOR THEM?**

Attorneys commonly take between 25 to 40% of the total settlement you receive from an insurance company, plus expenses incurred. If you settle directly with Allstate, however, the total amount of the settlement is yours.

4) **IF I DON'T GET AN ATTORNEY NOW, CAN I STILL GET ONE LATER?**

You may hire an attorney at any time in the process. Under (state) law, in most cases, you have up to (#) year(s) after your accident to file a court action against the at-fault party. Before you decide to see an attorney, you may wish to seek an offer with Allstate first. If an attorney believes he or she can achieve a higher settlement, you can then see whether the attorney is able to accomplish that. And, you may wish to hire an attorney on the condition that the contingent fee apply only to the settlement amount in excess of what Allstate offered to you without the attorney's assistance.

5) **SHOULD I SEEK THE ADVICE OF AN ATTORNEY?**

Whether you should retain an attorney is your decision. Allstate will not penalize you in any way for retaining an attorney. An attorney may be able to provide valuable advice, and may be important in complex or serious cases. Again, however, you may wish to seek an offer from Allstate, and when retaining an attorney, make a condition that the contingent fee apply only to the settlement amount in excess of what Allstate offered to you without the attorney's assistance.

9

INSTRUCTIONS FOR WHEN TO USE THE "DO I NEED AN ATTORNEY?" FORM

In general, you should use this form to assist in explaining the role of attorneys in the claim process to unrepresented claimants. The "Attorney" form should reinforce some of the things you have already explained to the claimant. As such, it may be used to reinforce what you have already told the claimant. You should not give the form to every claimant, but only those to whom it would be most appropriate. Do not provide the form when potential "interstate" problem could arise. If the claimant resides in another state, or the accident occurred in another state, the statute of limitations which is applied to the case may vary. Hence, while we can discuss attorney economics, we cannot state with certainty which state's statute would apply.

The purpose and intent of this form is to provide factual information to claimants concerning the role of attorneys. Please note that you must not attempt to persuade claimants not to retain an attorney. Your role should be to provide important information to claimants concerning attorneys, enabling the claimant to make a more informed decision. Remember, the decision on whether to retain an attorney is the claimant's, and we must honor and respect that decision.

FINDINGS



One-third of claimants are never contacted

Timeliness of contact is critical given that most claimants contact and hire an attorney within 2 weeks. In some areas, representation occurs in a matter of days

Only about a third of claimants appear predisposed to hiring an attorney

Improved claim rep rapport could help eliminate attorney involvement in almost half the cases

Key drivers of rapport are explanation of the process and empathy

Claimants rarely have an offer prior to hiring an attorney



Establish early contact



Establish rapport

- Clear process explanation
- Genuine empathy
- Act as advocate in claims settlement process

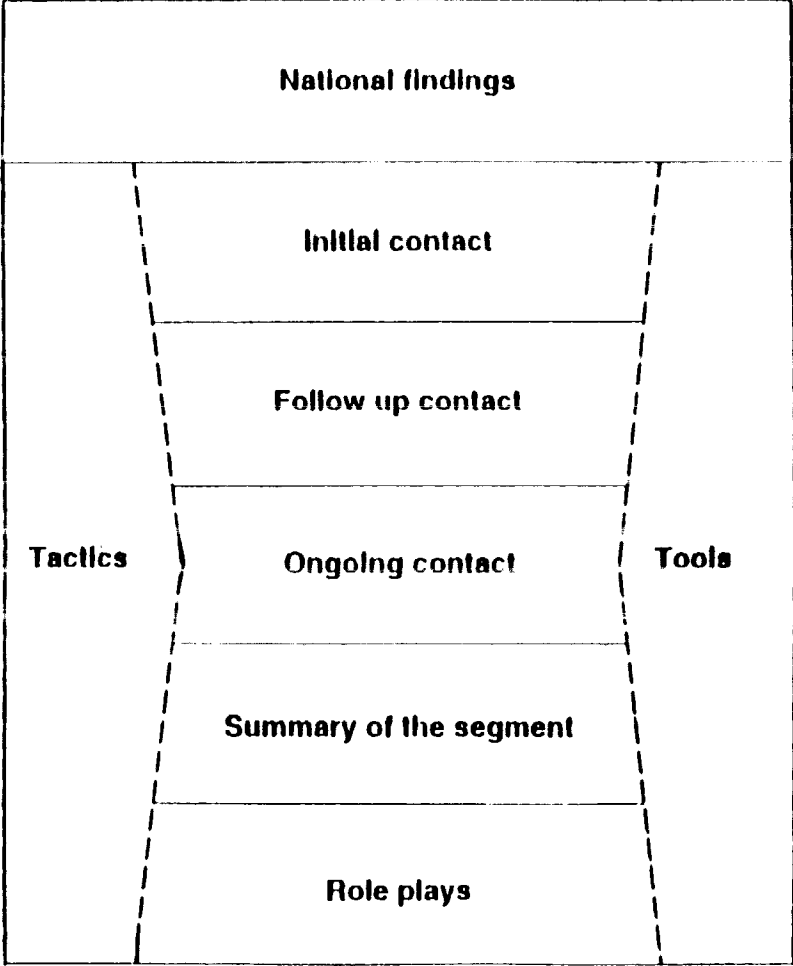
Source: Closed File Survey; BI telephone survey; focus groups

Exhibit 6

KEY OBJECTIVES OF UNREPRESENTED SEGMENT

- **Extremely rapid initial contact to educate claimants about Allstate's approach to fair claim settlement**
- **Anticipation and resolution of a broad range of claimant needs in a genuine and empathetic manner**
- **Rapid liability investigation and resolution of property damage issues with use of appropriate flexibility to maintain rapport**
- **Regular follow-up claimant contact to reduce the need for attorney involvement**
- **Appropriate settlement value offers to all claimants to ensure they have the opportunity to make the best economic decision**

UNREPRESENTED SEGMENT TRAINING



INITIAL CLAIMANT CONTACT OUTLINE



- 1. Establish empathy and gather injury facts**
- 2. Confirm Customer Service Pledge**
- 3. Gather loss facts**
- 4. Confirm liability decision**
- 5. Discuss payment of medical bills/wage loss**
- 6. Assist in providing for car repairs**
- 7. Assist in arranging for alternate transportation**
- 8. Explain the BI settlement process and discuss attorney economics**
- 9. Close and follow-up**

ESTABLISH EMPATHY AND GATHER INJURY FACTS



- **Introduce yourself and Allstate to the claimant**
- **Inquire/acknowledge customer's injury first with personalized discussion (e.g., "how are you feeling today?")**
- **Capture injury and wage loss information in a nonthreatening, flexible manner**
- **If verbal contact cannot be made, leave appropriate message on answering machine and send claimant contact letter and pledge**

OUTGOING PHONE MESSAGES



Answering machine message – liability clear

Hello, this is _____ with Allstate Insurance calling for Mr. _____

I'm calling to let you know that I'll be the person who will be handling your claim from your accident with our customer. I'm calling to see how you're feeling and talk to you about getting your car fixed and arranging for any substitute transportation you might need.

I'd really like to speak with you as soon as possible, so please call me at 123-4567. If I'm away from my desk, please leave a message and let me know when it's convenient for me to call you back.

I look forward to talking with you.

Answering machine message – liability unclear

Hello, this is _____ with Allstate Insurance calling for Mr. _____

I'm calling to let you know that I'm the person who will be handling your accident claim. An important part of my job is talking to all of the people involved in the accident in order to get the claim process moving quickly for you.

Please call me at 123-4567. If I'm away from my desk, please leave a message and let me know when it's convenient for me to call you back.

I look forward to talking with you.

Exhibit 10

CONFIRM THE CUSTOMER SERVICE PLEDGE



- Full customer friendly explanation of the claim process
- Quick, fair investigation of the facts of the case
- To the extent our policyholder is at fault,
 - I will assist you in providing for the repair of your vehicle and arranging for a rental
 - I will help you determine if you are eligible to receive compensation for any injuries you may have suffered
 - I will discuss fair payment for your claim when you feel you are ready

GATHER LOSS FACTS

- Explain that to get process started, certain information is needed
- Discuss loss facts in non-threatening, non-interrogative manner



CONFIRM LIABILITY DECISION



Based on current understanding of liability situation, communicate one of the following:

- Assure the customer we will pay for the damage to the car

or

- Explain we need to do some additional investigation and will contact them quickly with the outcome

or

- If applicable, explain comparative negligence and why it will be applied

LIABILITY DISCUSSION



- **If, based on your investigation, the claimant's liability is minimal, consider flexibility in the adjustment of all aspects of the claim, including, but not limited to, physical damage, loss of use, out of pocket medical expenses, and bodily injury**
- **Maintaining a rigid comparative negligence position is hard to defend, and may reinforce a claimant's perceived belief that an attorney is necessary. Flexibility is appropriate because the application of minimal comparative negligence is often subjective. This approach can assist in achieving a fair overall settlement**

!

PAYMENT OF MEDICAL BILLS/WAGE LOSS



- Determine if claimant has PIP-Med coverage and offer to contact claimant's carrier if assistance is needed
- Offer to work directly with claimant carrier to monitor payment of wage loss and medicals
- Determine if other collateral sources apply
- Consider PIA when appropriate

ASSIST IN ARRANGING FOR CAR REPAIRS

- Confirm commitment to make sure car damage is resolved quickly and to the claimant's satisfaction
- Explain repair options and major benefits of each. State that the selection of the repair option is the claimant's choice
 - PRO shop
 - . Guarantee repairs
 - . Less hassle
 - . Quick service
 - Drive-in
 - . Receive check immediately
 - . Possibly prepay LOU
 - Field assignment
 - . Claimant convenience
 - Total loss
- If limits restrict PD payment, explain the process



PROVIDE ALTERNATE TRANSPORTATION



- Proactively determine if rental is needed
- Be flexible and offer direct bill and delivery of car
- Offer comparable car to meet claimant's needs
- On a total loss, consider authorizing rental until 2 to 3 days after offer is extended
- Consider payment of Collision Damage Waiver if warranted

EXPLAIN THE BI SETTLEMENT PROCESS



- **Explain the BI settlement process – avoid jargon**
- **Acknowledge we are responsible for out-of-pocket expenses depending on state law and Insured's liability**
- **Reiterate our commitment to settle the claim fairly and quickly**
- **Explain tort option or other thresholds if they affect the handling of the claim**

Unrepresented Segment

What Can I Tell Claimants About Attorneys?

With the unrepresented segment, we hope to show claimants that an attorney is not needed to be treated fairly, or to receive a prompt, fair offer of settlement. Our communications with claimants should simply reinforce our central theme of treating claimants fairly: claimants do not need attorneys to receive fair treatment or a fair settlement.

We should provide claimants with factual information as to the role of attorneys in the claim process. We must never advise claimants not to seek an attorney, suggest that attorneys are never needed in the claim settlement process, or imply in any way that a claimant will be penalized by Allstate for retaining an attorney. We cannot counsel claimants as to whether they should seek an attorney, but only provide factual information as to the typical role of attorneys in the claim process. In each case, claimants must be aware that the decision to retain an attorney is theirs.

This manual will provide an explanation of some of the legal doctrines which apply in this context, and provide some examples to illustrate proper claim handling practices.

Tortious Interference with the Attorney-Client Relationship

The legal doctrine known as "tortious interference with the attorney-client relationship" directly applies to our dealings with unrepresented claimants. This tort is recognized in almost every state. In general, to maintain an action for this tort, a plaintiff must establish each of the following four elements:

- 1) The existence of a valid contractual relationship;
- 2) Knowledge of the relationship on the part of the interferer;
- 3) Intentional interference inducing or causing a breach or termination of the relationship;
and
- 4) Resulting damage to the party whose relationship has been disrupted.

The first two elements require an existing attorney-client relationship, and knowledge of that relationship by the party interfering with the relationship. The third element requires an intentional act causing a termination of the attorney-client relationship. The fourth element requires the attorney or claimant to establish damages which resulted from the interference. An attorney would seek to recover his projected attorney fees. A claimant would attempt to show that he would have received a greater settlement if the insurer had not interfered with the attorney-client relationship.

Any communication by an insurer with a claimant after notice of attorney retention, especially if it questions the wisdom of the claimant's decision, may subject an insurer to liability. Please note Allstate's policy in this context. Under the Claim Policy-Practices-Procedures (CPPP) Manual, Allstate has stated that it adheres to the following principle:

[Allstate and its claim representatives] will not deal directly with any claimant represented by an attorney without the consent of the attorney.

Accordingly, we must cease all contacts with a claimant whenever we have notice that a claimant has retained an attorney.

Of course, claimants will not always inform us of representation – they may wish to hear our story first. Consequently, we should always explore whether a claimant is represented. We should not assume that claimants will inform us, but should specifically inquire as to whether they have retained counsel. If they have retained an attorney, we should immediately terminate the conversation.

To illustrate some of the issues in this context, please review the following hypothetical examples:

Example No. 1: Claim representative calls claimant. Claimant states that she has retained an attorney. *Claim representative must terminate the conversation, and make all further contacts with the attorney, unless the attorney subsequently directs otherwise.*

Example No. 2: Claim representative calls claimant. Claimant gives no indication as to whether she has spoken to an attorney. *Before discussing any issues relating to attorney involvement, claim representative should ask the claimant whether she has retained an attorney. If she has, the claim representative must terminate the conversation, and make all further contacts with the attorney, unless the attorney subsequently directs otherwise.*

Example No. 3: Claim representative calls claimant. Claimant states that she has spoken to an attorney, but has not actually retained an attorney. *Claim representative may proceed to provide information as to the role of attorneys in the claim process. So long as the claimant has not entered into an attorney-client relationship, we may continue to speak directly with the claimant.*

Example No. 4: Claim representative calls claimant. Claimant states that she has spoken to an attorney, but claimant does not clearly indicate whether she has actually retained an attorney. *Claim representative should ask the claimant, "Have you signed a retainer agreement with an attorney, or otherwise agreed to be represented by an attorney?" to determine whether the claimant is in fact represented.*

Example No. 5: Claim representative calls claimant. Claimant states that she has retained an attorney, but that her attorney said that she could deal directly with Allstate to handle the property damage. *Claim representative should verify this information with the attorney, and then may proceed to deal directly with the claimant to handle the repairs and car rental, but should not pursue any other issues directly with the claimant.*

Example No. 6: Claim representative calls claimant. Claimant asks claim representative, "What would you do about hiring an attorney if you were in my shoes?" *Claim representative should state that the decision as to whether to retain an attorney is the claimant's, and explain that neither Allstate nor its claim representatives can provide any advice as to what the claimant should do. The claim representative may only provide factual information concerning the roles of attorneys in the claim process generally.*

Unauthorized Practice of Law

Allstate and its claim representatives are prohibited from practicing law without a license. Advising a claimant not to seek an attorney, particularly if coupled with advice which a claimant might normally receive from an attorney (such as whether the claimant has a cause of action, the legal consequences of a release, etc.) might be construed as practicing law.

In addition, please note the restrictions contained in the CPPP Manual:

[Allstate and its claim representatives] will not advise the claimant to refrain from seeking legal advice, or advise against the retention of counsel to protect his interest.

In our communications with claimants, we must not advise claimants on whether to retain an attorney, but only provide factual information as to the role of attorneys in the claim process. Claimants can then make their own decisions on whether to retain counsel.

Statutory or Regulatory Restrictions

Your state may include specific restrictions on advising or informing claimants about attorneys. These restrictions must be strictly adhered to. Contact your manager and/or appropriate counsel to determine what state requirements may apply.

Conclusion

In summary, in dealing with unrepresented claimants, we should provide factual information on the role of attorneys in the claim process, and the ability of claimants to receive a fair settlement without an attorney. Our emphasis should be on reducing the need for an attorney through the service we provide, and not on advising claimants not to seek an attorney. We should always inform claimants that they may retain an attorney at any time, and that Allstate will not penalize them in any way for that decision.

12/13/94

DISCUSS ATTORNEY ECONOMICS



- Discuss statute of limitations and customer's ability to file a court action at any time during that period. Explain early settlement option or waiting until whenever claimant is ready
- Reiterate that Allstate settles many claims directly with accident victims
- Acknowledge that they may be contacted by attorneys
- Indicate that while some claimants choose to seek attorney representation, it is by no means a requirement. Even if the claimant chooses to seek representation, it may be advantageous to work with us first. Assess claimant's interest in receiving the "Do I Need an Attorney?" form. Do not use this form in UM cases or death cases
- MA/WA discussion is not required at first contact but can be addressed if appropriate

RECOMMENDED ATTORNEY ECONOMICS SCRIPT

Attorneys Quite often our customers ask if an attorney is necessary to settle a claim. Some people choose to hire an attorney, but we would really like the opportunity to work directly with you to settle the claim.

Attorneys commonly take between 25-40% of the total settlement you receive from an insurance company plus expenses incurred. If you settle directly with Allstate, however, the total amount of the settlement is yours.

At any time in the process you may choose to hire an attorney. I would, however, like to make an offer to you first. This way, should you go to an attorney, you would be able to negotiate with the attorney so his/her fees would only apply to amounts over my offer to you.

CLOSE AND FOLLOW-UP



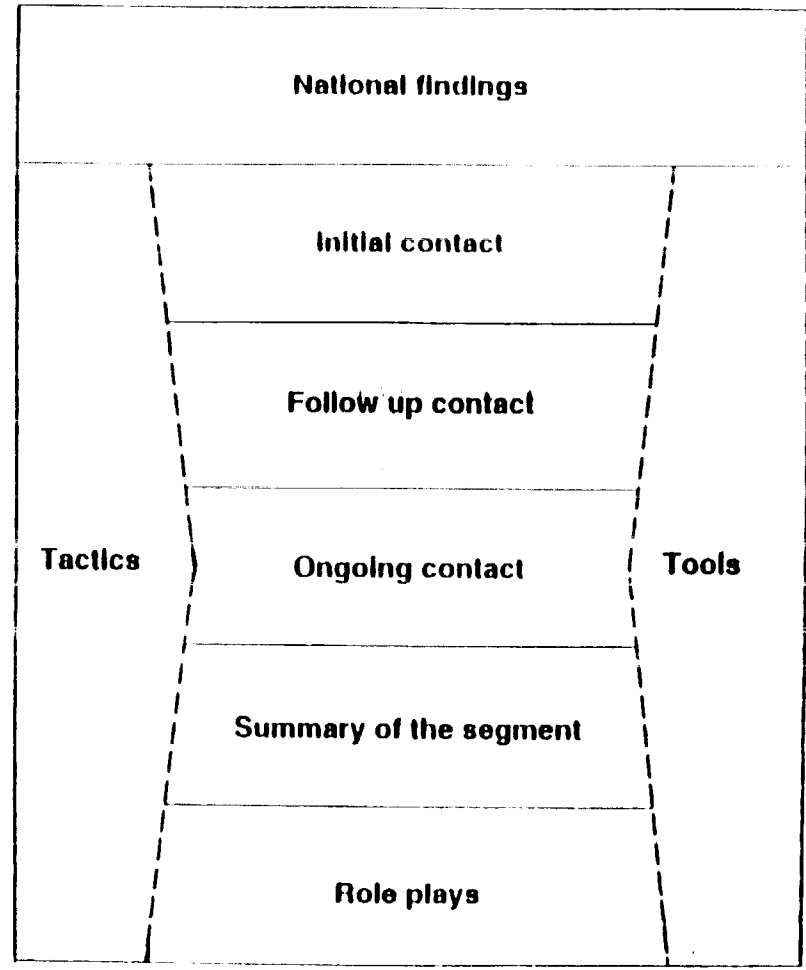
- **Confirm we have resolved the customer's key concerns**
- **Review property damage and rental arrangements**
- **Probe for additional questions**
- **Determine strategy/schedule for follow-up contact that best suits the customer's needs**
- **Indicate that we want to follow up soon to make sure car repairs and rental vehicle are satisfactory, and to see how customer is feeling**
- **Offer face-to-face meeting, if appropriate**
- **Make sure customer is provided with claim number and rep's phone number**
- **Advise claimants that letters confirming the initial conversation will be sent immediately**

GUIDELINES FOR CODING CONTACT & REPRESENTATION INFORMATION

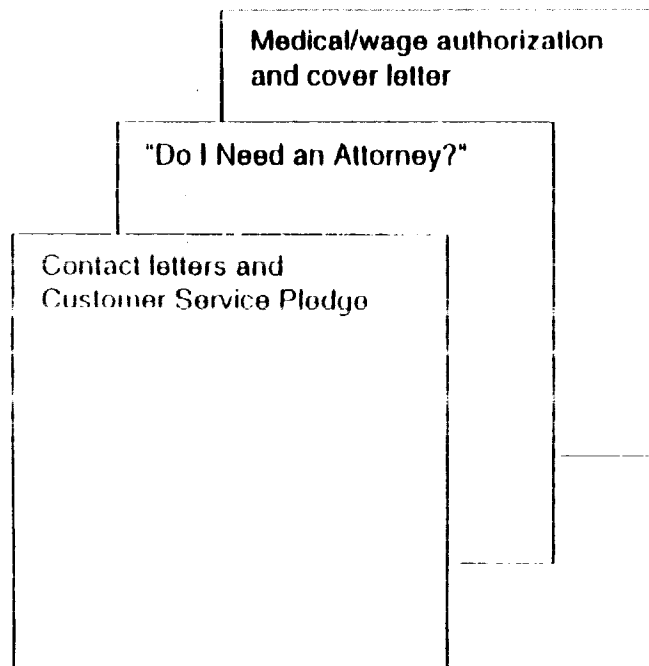
EXAMPLE:	CONTACT DATE?	REP DATE?
Initial unrep; Personal Contact made with Claimant, Spouse, or Parent; delivered 9 steps	YES: use Contact Date	N/A
Claimant calls report in to CSC; Claim Rep has not made contact	NO: Claim Rep has not spoken to Claimant to offer assurance	N/A
Initial unrep; Personal Contact not made with Claimant, left voice message	NO: Voice Contact not made: Contact intent is to develop relationship & trust	N/A
Initial unrep; Personal Contact made with Claimant, Spouse, or Parent; told to call back; did not begin relationship; no followup date	NO: Contact intent is to develop relationship & trust	N/A
Initial unrep; Personal Contact made with Claimant, Spouse, or Parent; told to call back; did begin relationship by setting up a call-back time	YES: Key is the judgement that relationship has begun	N/A
Personal contact made; told by Claimant, Spouse, or Parent that rep has occurred	YES: use Contact Date	YES: use Contact date
Initial notice as REP (Atty letter, call, etc)	NO	YES: use Notice date

Initial unrep; Proper Contact made; subsequent notice of rep	YES: use Contact Date	YES: use Notice date
Initial unrep; Personal contact not made with Claimant; Claim Rep sends letter, leaves voice message; Claimant responds via voice mail - Minor BI, no treatment, no BI claim being pursued	YES: Use Claimant Response date. While no voice contact made, message receipt confirmed. A required followup letter is being developed to handle these situations.	N/A

UNREPRESENTED SEGMENT TRAINING



FOLLOW-UP TO INITIAL CONTACT



Note

Use of the contact letters, pledges, and medical/wage authorization is mandatory. The "Do I Need an Attorney?" form should only be sent to specific claimants, as outlined in the training

June 1, 1995

KAREN SMITH
13 MAIN ST
PUEBLO CO 13131-3131

Date of Accident: JULY 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Smith:

I recently received notice of your accident involving our policyholder. We may have already spoken, but if not, I will be trying to reach you very soon. In either case, I want to emphasize Allstate's policy that we consider anyone who has been involved in an accident with one of our policyholders an Allstate "customer," who is entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Customer Service Pledge." Please save my business card in case you need to reach me.

If we have not already spoken, please do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

LARRY A. AXELROD
Claim Representative
800-326-0090

CWX/1/02/0
1 Enclosure
Copies to: L. ERIXON
E. T. REDD

CWX - Claimant Contact Pending with Pledge only
CXY - Same letter as above without voice mail reference

Exhibit 21

June 1, 1995

KAREN SMITH
13 MAIN ST
PUEBLO CO 13131-3131

Date of Accident: JULY 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Smith:

Although we spoke recently, I want to reaffirm Allstate's policy that we consider anyone who has been involved in an accident with one of our policyholders an Allstate "customer," who is entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Customer Service Pledge." Please save my business card in case you need to reach me.

If you have any questions, do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

LARRY A. AXELROD
Claim Representative
800-326-0090

CWW/1/02/0
1 Enclosure
Copies to O. HENRY
G. DEMAUPASSANT

CWW - Claimant Contact with Pledge only
CXX - Same letter as above without voice mail reference

Exhibit 22

June 1, 1995

KAREN SMITH
13 MAIN ST
PUEBLO CO 13131-3131

Date of Accident: JULY 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Smith:

Although we spoke recently, I want to reaffirm Allstate's policy that we consider anyone who has been involved in an accident with one of our policyholders an Allstate "customer," who is entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Customer Service Pledge." Please save my business card in case you need to reach me

As we discussed, in order to evaluate your injury claim, I will need to obtain your medical bills and reports and verify any wage loss you might have. I have enclosed an authorization for your signature which will allow me to contact your medical providers and employers for this information. Please complete the form and return it to me in the self-addressed envelope I have provided.

Please be assured that this authorization only gives Allstate the permission to gather information to review your case. It will not affect your right to pursue a claim.

If you have any questions about this form or the handling of your claim, do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

LARRY A. AXELROD
Claim Representative
800-326-0090

CWU/1/02/0
2 Enclosures
Copies to R. LEE KING
I. PAYNE

CWU - Claimant Contact with Pledge and Medical-Wage Authorization
CXV - Same letter as above without voice mail reference

Exhibit 13

BODILY INJURY
PLEDGE



CUSTOMER SERVICE PLEDGE

Because you have been involved in an accident with an Allstate policyholder, we consider you our customer and will provide you with quality customer service. In an effort to provide you with this quality customer service, we promise you the following:

- 1) We will fully explain the process, take the time to answer all questions and concerns that you may have, and keep you informed throughout the claim process.
- 2) We will conduct a quick, fair investigation of the facts in your case.
- 3) To the extent that our policyholder was at fault in the accident:

We will assist you in providing for the repair of your vehicle and arranging for a rental vehicle;

We will help you determine if you are eligible to receive compensation for any injuries you may have suffered; and

We will discuss fair payment for your claim when you feel you are ready.

Your claim representative is dedicated to carrying out this Pledge.

INSERT CLAIM REPRESENTATIVE

BUSINESS CARD HERE

GUEST PASSENGER
PLEDGE



CUSTOMER SERVICE PLEDGE

Because you have been involved in an accident with an Allstate policyholder, we consider you our customer and will provide you with quality customer service. In an effort to provide you with this quality customer service, we promise you the following:

- 1) We will fully explain the process, take the time to answer all questions and concerns that you may have, and keep you informed throughout the claim process.
- 2) We will conduct a quick, fair investigation of the facts in your case.
- 3) To the extent that you are eligible for benefits from Allstate:

We will help you determine if you are eligible to receive compensation for any injuries you may have suffered; and

We will discuss fair payment for your claim when you feel you are ready.

Your claim representative is dedicated to carrying out this Pledge.

INSERT CLAIM REPRESENTATIVE
BUSINESS CARD HERE

UNINSURED MOTORIST
PLEDGE



CUSTOMER SERVICE PLEDGE

As an Allstate policyholder, if you have been involved in an accident, we promise you the following:

- 1) We will fully explain the process, take the time to answer all questions and concerns that you may have, and keep you informed throughout the claim process.
- 2) We will conduct a quick, fair investigation of the facts in your case.
- 3) If you are injured, and have uninsured motorist coverage, but the other driver does not have insurance:
We will help you determine if you are eligible to receive compensation;
and
We will discuss fair payment for your claim when you feel you are ready.
- 4) If you have the appropriate coverages:
We will assist you with providing for the repair of your vehicle; and
We will assist you in arranging for a rental vehicle.
- 5) We will aid you in reporting your claim against the other insurance carrier if we locate insurance coverage for the other driver.

Your claim representative is dedicated to carrying out this Pledge.

INSERT CLAIM REPRESENTATIVE
BUSINESS CARD HERE

Exhibit 26

UAI
CS112

DO I NEED AN ATTORNEY?

1) **AM I REQUIRED TO HIRE AN ATTORNEY TO HANDLE MY CLAIM?**

No. In fact, each year Allstate settles claims directly with many accident victims with no attorneys involved in the claim settlement process.

2) **WILL AN ATTORNEY MAKE THE CLAIM SETTLEMENT PROCESS FASTER FOR ME?**

A recent study by the Insurance Research Council found that people who settle insurance claims without an attorney generally settle their claims more quickly than those who have hired attorneys.

3) **HOW MUCH ARE ATTORNEYS' FEES AND WHO PAYS FOR THEM?**

Attorneys commonly take between 25 to 40% of the total settlement you receive from an insurance company, plus expenses incurred. If you settle directly with Allstate, however, the total amount of the settlement is yours.

4) **IF I DON'T GET AN ATTORNEY NOW, CAN I STILL GET ONE LATER?**

You may hire an attorney at any time in the process. Under (state) law, in most cases, you have up to (#) year(s) after your accident to file a court action against the at-fault party. Before you decide to see an attorney, you may wish to seek an offer with Allstate first. If an attorney believes he or she can achieve a higher settlement, you can then see whether the attorney is able to accomplish that. And, you may wish to hire an attorney on the condition that the contingent fee apply only to the settlement amount in excess of what Allstate offered to you without the attorney's assistance.

5) **SHOULD I SEEK THE ADVICE OF AN ATTORNEY?**

Whether you should retain an attorney is your decision. Allstate will not penalize you in any way for retaining an attorney. An attorney may be able to provide valuable advice, and may be important in complex or serious cases. Again, however, you may wish to seek an offer from Allstate, and when retaining an attorney, make a condition that the contingent fee apply only to the settlement amount in excess of what Allstate offered to you without the attorney's assistance.

**INSTRUCTIONS FOR WHEN TO USE THE
"DO I NEED AN ATTORNEY?" FORM**

In general, you should use this form to assist in explaining the role of attorneys in the claim process to unrepresented claimants. The "Attorney" form should reinforce some of the things you have already explained to the claimant. You should not give the form to every claimant, but only those to whom it would be most appropriate. Do not provide the form when a potential "interstate" problem could arise. If the claimant resides in another state, or the accident occurred in another state, the statute of limitations which is applied to the case may vary. Hence, while we can discuss attorney economics, we cannot state with certainty which state's statute would apply. In addition, do not use this form in UM cases or death cases.

The purpose and intent of this form is to provide factual information to claimants concerning the role of attorneys. Please note that you must not attempt to persuade claimants not to retain an attorney. Your role should be to provide important information to claimants concerning attorneys, enabling the claimant to make a more informed decision. Remember, the decision on whether to retain an attorney is the claimant's, and we must honor and respect that decision.

June 1, 1995

KAREN SMITH
13 MAIN ST
PUEBLO CO 13131-3131

Date of Accident: JULY 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Smith:

We recently discussed that in order to evaluate your injury claim, I will need to obtain your medical bills and reports and verify any wage loss you might have. I have enclosed an authorization for your signature which will allow me to contact your medical providers and employers for this information. Please complete the form and return it to me in the self-addressed envelope I have provided.

Please be assured that this authorization only gives Allstate the permission to gather information to review your case. It will not affect your right to pursue a claim.

If you have any questions about this form or the handling of your claim, do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

LARRY A. AXELROD
Claim Representative
800-326-0090

CWV/1/02/0
1 Enclosure
Copies to G. TIREBEITER
J. HENRY

CWV - Claimant Contact with Medical-Wage Authorization only
CXW - Same letter as above without voice mail reference

Exhibit 28a

AUTHORIZATION TO FURNISH MEDICAL/EMPLOYMENT INFORMATION

In order to assist with the handling of my claim with Allstate, I authorize my employers and all persons with knowledge of my injuries to furnish employment and medical information to Allstate. My understanding of this authorization is as follows:

INFORMATION TO BE RELEASED

Allstate may request all information related to my claim, including information related to diagnoses, treatment records and bills, medical histories, assessments of my past, current and expected physical condition as well as current and historical employment, wage and benefits information. Allstate may either review or photocopy this information.

SOURCES OF INFORMATION

Allstate may contact the appropriate medical providers, insurance companies and employers and provide them with a copy of this authorization in order to obtain the necessary information.

USE OF PROVIDED INFORMATION

Allstate and its representatives (such as lawyers or medical providers retained by Allstate) will use this information to verify and evaluate my claim in order to determine an appropriate resolution. Allstate may also release the information to professional organizations whose purpose is to detect and deter insurance fraud (for example, the National Insurance Crime Bureau), and may release it to other insurance companies to whom a claim has or may be submitted.

TIME PERIOD OF THIS AUTHORIZATION

I understand that this authorization will remain valid until my claim with Allstate is legally concluded. I also understand that I can revoke this authorization at any time by notifying Allstate in writing.

COPIES OF THIS AUTHORIZATION

I can request a copy of this signed authorization at any time from Allstate.

THIS IS NOT A RELEASE OF MY CLAIM

I understand that signing this form does not mean I have settled my claim.

Signature

Date

Social Security Number

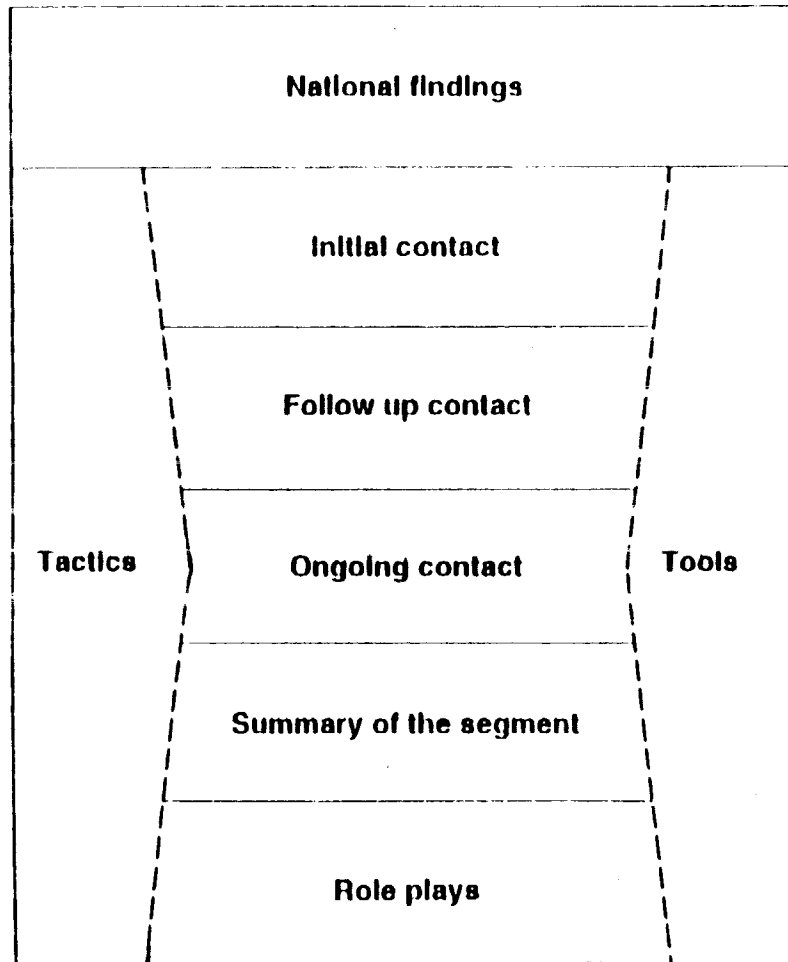
CLAIM NUMBER _____

Allstate Insurance Company
Allstate Indemnity Company

STANDARD 395

Exhibit 265

UNREPRESENTED SEGMENT TRAINING



DESIGNING ONGOING RAPPORT PROGRAM

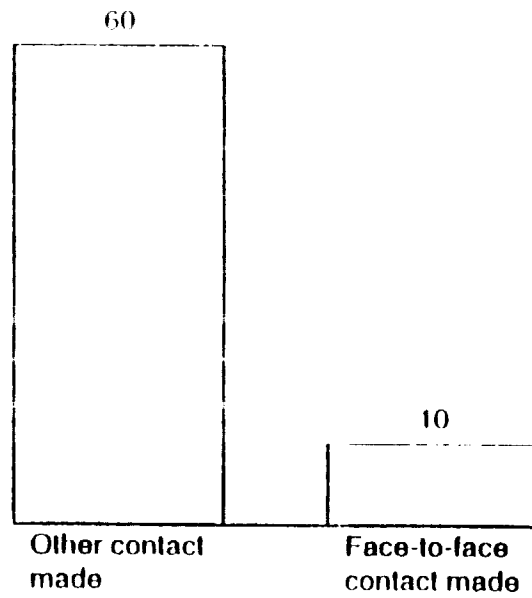


- **Establish a specific plan for subsequent contact**
 - Allow claimant's needs to guide contact schedule
 - At each communication point, confirm the next communication point
- **Determine if face-to-face will be beneficial**
 - The claim rep must carefully assess the value of a face-to-face visit and the claimant's receptiveness (see face-to-face guidelines)
 - The timing of the face-to-face contact may vary

Face-to-face contact can be a very powerful tool.

REPRESENTATION RATE – 90 DAYS (JUNE OPENS)

Percent



Source: Corona MCO

Exhibit 30

Many of the traditional objections can be mitigated through careful application of face-to-face.

1

RESPONSE TO TRADITIONAL OBJECTIONS

Traditional objection	Response
Potential safety concerns	Consider claim rep's safety first. Consider public meeting places or use of "buddy system"
Expense/time management	Seek to minimize the time/expense commitment by: <ul style="list-style-type: none"> • Combining face-to-face with drive-in/PRO shop visits • Holding the meeting at an agreeable location outside the claimant's home (e.g., place of work, local restaurant)

FACE-TO-FACE GUIDELINES



Face-to-face should be strongly encouraged if any of the following is true . . .	Unless any of the following is true . . .	Recommended opportunities/ justification for face-to-face
<p>It is difficult to communicate with claimant on phone (e.g., elderly, non-native speaker, nonverbal person, etc.)</p>	<p>Face-to-face could put claim rep in harm's way</p>	<p>In conjunction with</p> <ul style="list-style-type: none"> • Drive-In visit/PRO shop visit
<p>Claimant is openly overwhelmed by process; likely to need an especially strong advocate</p>	<p>Likely not to owe claim (no threshold, no liability, etc.)</p>	<ul style="list-style-type: none"> • Dropping off med./wage authorization
<p>Claimant lacks auto insurance and has no other source to cover medical expense</p>	<p>Apparent policy limit case with no UIM available</p>	<ul style="list-style-type: none"> • Delivery of PD or other check
<p>Claimant lacks auto insurance and has no other source to cover medical expense</p>	<p>Case is being transferred to SIU</p>	<ul style="list-style-type: none"> • During the claim process as appropriate
<p>Claim rep believes that face-to-face can build rapport significantly</p>	<p>Distance is prohibitive as decided by unit manager</p>	<ul style="list-style-type: none"> • Negotiating the settlement
<p>When viewing of injury is necessary for evaluation (scarring, nerve damage, etc.)</p>		

There are pros and cons to using face-to-face contact. One way of identifying good candidates for face-to-face is to carefully think through the risk of losing the claimant to an attorney and your ability to influence the decision.

FACE-TO-FACE MATRIX

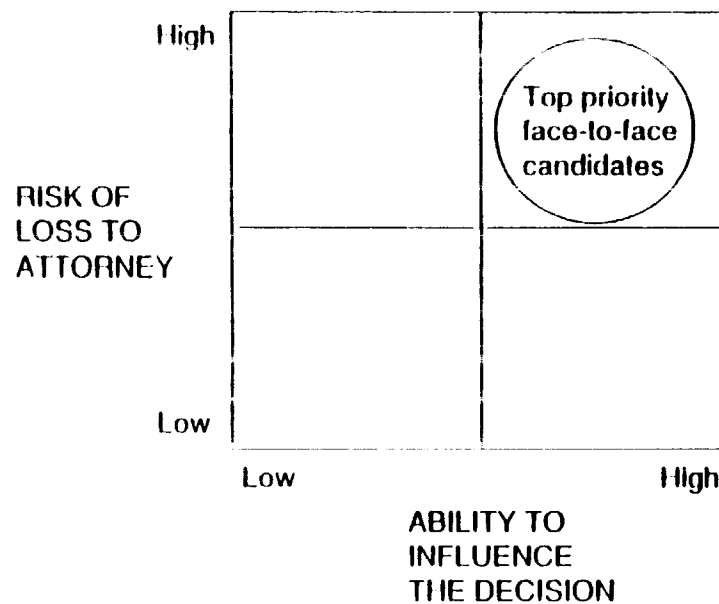


Exhibit JJ

Placing the claimant in the appropriate quadrant is an imprecise science. The following questions can be helpful in this process.

FACE-TO-FACE ISSUES

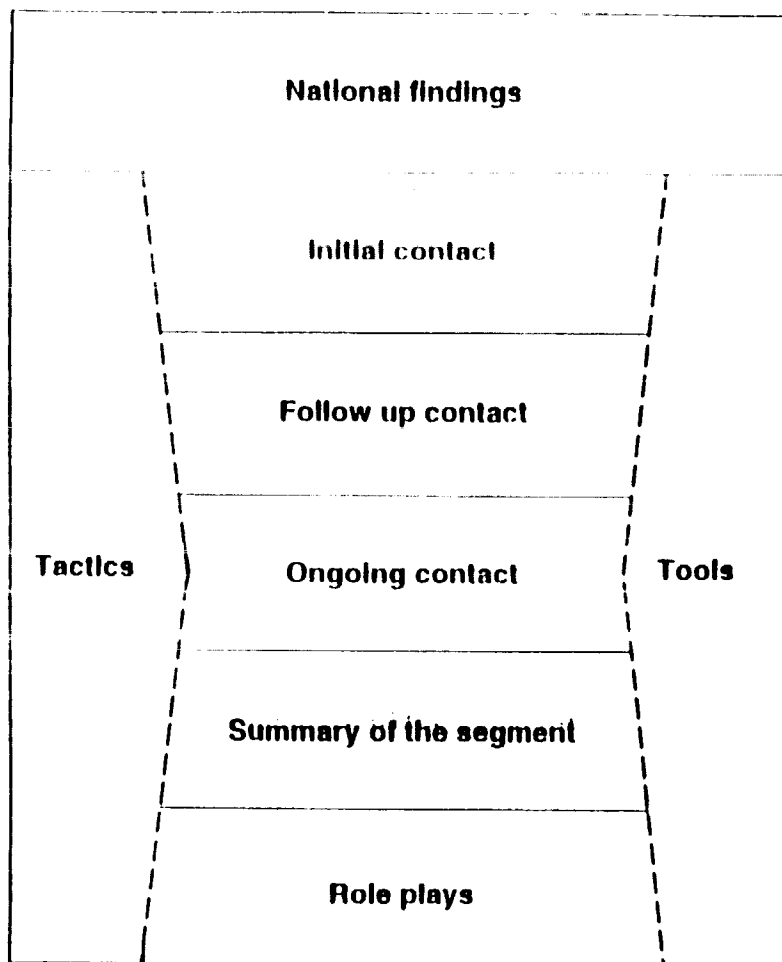
Factor	Sample questions
Risk of loss to attorney	<p>Has the claimant used an attorney before? Was he/she pleased with the results?</p> <p>Is the claimant looking for a strong and active advocate?</p> <p>Has the claimant expressed concern about his/her ability to handle the experience alone?</p>
Ability to influence the decision	<p>Does the claimant seem receptive to your communication?</p> <p>Has the claimant valued your advice (e.g., PRO shop suggestion)?</p>

RECOMMENDATIONS FOR CONDUCTING A FACE-TO-FACE MEETING



- Be on time for the meeting
- Dress professionally without being intimidating
- Have all releases, checks, material, etc., on hand
- Use good eye contact
- Be confident, professional, and empathetic
- Within the first 3-5 minutes the purpose of the meeting should be addressed
- Do not invade the other person's body space
- Choose a meeting location that is safe and comfortable for both the claimant and the claim representative
- Explain attorney economics
- End the meeting with either a settlement, a CWP, or an assurance of rapid follow-up

UNREPRESENTED SEGMENT TRAINING



SUMMARY OF UNREPRESENTED CLAIM HANDLING – CONTACT



Current situation

- Unstructured front line dispatch
- Initial contact attempt within several days
- Follow-up often sporadic
- Focused on explanation of Allstate's internal claim handling guidelines
- Avoid discussion of attorneys
- Failure to use written claim process explanation
- MCO open only during Allstate-defined business hours



Unrepresented segment approach

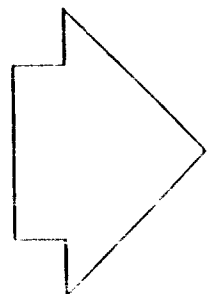
- Improved MCO bank clearing
- Immediate attempt, with actual contact within hours of notice of loss
- Structured follow-up maintained based on claimant needs
- Focused on customer's needs using caring, empathetic approach
- Open attorney discussion
- Personalized written communications, e.g., contact letter, Customer Service Pledge, attorney letter
- Expanded contact hours to meet claimants' needs

Expanded hours are **required** to achieve quick contact.

UNREPRESENTED CLAIM HANDLING CONTACT HOURS

Bank clearing and contact hours

Monday	7:00 a.m. – 7:00 p.m.
Tuesday	8:00 a.m. – 7:00 p.m.
Wednesday	8:00 a.m. – 7:00 p.m.
Thursday	8:00 a.m. – 7:00 p.m.
Friday	8:00 a.m. – 5:00 p.m.
Saturday	8:00 a.m. – 2:00 p.m.
Sunday	by 5:00 p.m.



Expanded hours include

- Pulling files off the bank
- Making contact
- Retaining files

This can be accomplished through . . .

- Expanded office hours*
- Home use of CSTs
- Mixture of both

* Monday through Saturday office hours are strongly recommended

UNREPRESENTED CLAIM HANDLING – LIABILITY INVESTIGATION



Current situation

- In-depth factual interview with claimant on all losses
- Liability determined after all parties/witnesses contacted
- Stringent application of comparative negligence
- Lack of direction as to what constitutes a proper liability investigation



Unrepresented segment approach

- Customer-friendly claimant interview regarding loss facts
- Liability decided as quickly as possible, waiving certain contacts where appropriate . . .
- Use of flexibility when appropriate to maintain rapport
- Use of investigation guidelines to ensure consistency

DAMAGE INVESTIGATION TOOLS MATRIX

Unrepresented Segment

- Required
- ◐ Recommended
- Optional
- X Not required

Injury	Impact force	Medical history	Claimant carrier contact	Records review	IME	Surveillance	Medical management (MBRS)	Vehicle photo	Bio-mechanical	Index bureau	Face-to-face/ deposition	Recorded statement	Police report	Employment/ wage verification	Medical/ wage authorization
Subjective	Minor	○	●	○	○	○	◐	●	○	●	○	○	●	◐	●
	Major	○	●	○	○	○	◐	●	X	●	○	X	●	◐	●
Objective: Fracture, laceration, etc.	All	X	●	X	X	X	◐	●	X	●	○	X	●	◐	●
Objective: questionable causation	Minor	●	●	○	○	○	◐	●	◐	●	○	●	●	◐	●
	Major	●	●	○	○	○	◐	●	○	●	○	◐	●	◐	●

Note: This example serves as a model which may be modified to meet local criteria

UNREPRESENTED CLAIM HANDLING – DAMAGE INVESTIGATION



Current situation

Damage investigation

- In-depth front-end questioning regarding nature of BI after facts and PD discussed
- Lack of standardization as to what level of verification is required
- Use standard medical/wage authorization form



Unrepresented segment approach

Damage investigation

- Customer-friendly discussion of injury prior to factual investigation and PD handling
- Use of investigation guidelines to ensure consistency and adequacy
- Use new customer-friendly authorization form

LIABILITY INVESTIGATION TOOLS MATRIX

- Required
- ◐ Recommended
- Optional
- X Not required

Liability category	Insured/claimant vehicle photo/PD estimates	Police report	Scene photo	Reconstruction expert	Witness canvass	Witness statement	Insured statement	Passenger statement	Claimant statement
1. Clear liability (facts not in dispute)	◐	X	X	X	X	X	X	X	X
2. Rear ended – with potential comparative, i.e., sudden stop, multiple vehicles or impacts	◐	◐	X	X	X	●	◐	○	○
3. Intersection/controlled	◐	◐	○	○	○	●	◐	○	◐
4. Intersection/uncontrolled obstructed	◐	◐	◐	○	○	●	◐	○	◐
5. Single car	◐	○	X	○	X	X	●	○	X
6. Pedestrian	◐	●	○	○	○	●	◐	○	◐
7. Hit and run	◐	●	○	○	○	●	●	◐	X
8. S.I.U. profile	Refer to S.I.U								

Note: This example serves as a model which may be modified to meet local criteria

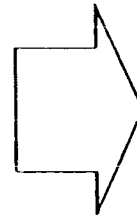
UNREPRESENTED CLAIM HANDLING – PD HANDLING



Current situation

PD handling

- Adherence to set LOU payment guidelines
- Auto adjuster handles claims



Unrepresented segment approach

PD handling

- LOU flexibility
- Direct billing option
- Team approach with casualty rep as key customer contact to ensure most favorable overall economic results

UNREPRESENTED CLAIM HANDLING – MEASUREMENT



Current situation

- 30-60-90 day disposition rates



Unrepresented segment approach

- Contact time
- Representation rate
- Time to representation

TRAINER'S MANUAL

UNREPRESENTED SEGMENT TRAINING

Overview:

Train participants in the Unrepresented segment on new claim handling processes and procedures.

Objectives of this Trainer's Guide:

Provide background and instructions for presentation to unrepresented segment participants

Supply key discussion points to supplement training package handouts

Participants:

All unrepresented claim representatives, Unit Claim Managers, Casualty Claim Manager, and Market Claim Manager

Timeline:

Training should be conducted 1-2 weeks prior to implementation.

Time required for training sessions will vary by the number of participants and their existing skill levels.

Typically, for a group of up to 16 claim reps, training should last 2-3 days.

Materials:

Trainers must provide participants with the following items:

Unrepresented Training Pack

Role Play Pack

8 copies of role play feedback notes

UM Training pack (optional)

**MISSING
PAGE**

EXHIBIT DISCUSSION GUIDE

Exhibit 1: Cover Page

Thank participants for attendance

Introduce yourself and others

Recognize any guests (regional attendees, etc.)

If a particular guest wishes to make opening remarks, introduce them at this point

Exhibit 2: Agenda

Preview all sections of the training

Explain format:

- * Sections 1-5 will be covered in the large group and should last about 4 hours
 - * Section 6: role plays, will be done in smaller breakout groups

Explain that role plays will be somewhat different from our usual approach to training. There may be some initial discomfort, but as the sessions progress the comfort level will improve. It should be a valuable exercise in rapport building skills

Set up breaks and lunch timing

Exhibit 3: Tracker (self-explanatory)

CLAIMANT FOCUS GROUPS: KEY FINDINGS

ATTORNEY SECTION (video length approx. 10 minutes)

- 1) Many claimants never consider contacting the insurance company
- 2) Many claimants think you must have an attorney because
 - a) it's the law
 - b) it's a requirement of the process
 - c) it's too technical and/or complicated for the average person to handle
- 3) Insurance companies and employees are not considered trustworthy
 - a) They are only looking out for themselves, attitude
 - b) society perceptions and negative media blitz
- 4) Claimants hire attorneys to take care of everything

CONTACT SECTION (video length approx. 45 minutes)

- 1) Claimants want 24 hour contact (regardless of claim status, investigation)
- 2) Claimants want emphasis on injury first, not PD
 - reps need to be flexible and sensitive to claimant needs
- 3) Claimants want to be treated as customers—not in an interrogative or suspicious manner
- 4) Majority of claimants do not appear to be stereotypical opportunists
- 5) Written documentation (letters, Customer Service Pledge, etc.) appears to add credibility to the process
- 6) Claimants were more satisfied with the empathy, clear explanation of the process, and proactive PD handling evident in Role Play #2
- 7) Claimants have mixed feelings on face to face contact
 - highly contingent upon claimant and situation

**MISSING
PAGE**

EXHIBIT DISCUSSION GUIDE (cont.)

Exhibit 6: Findings

Review list of findings from closed file survey and BI telephone claimant survey. The BI telephone survey was conducted with a mix of 600 represented and unrepresented claimants in Texas, California, Florida, New York, and Illinois

Point out that these findings lead to 2 main imperatives: early contact and building rapport

Exhibit 7: Key Objectives of Unrepresented Segment:

Given these 2 imperatives, the claim handling objectives have changed for this segment

We will move away from using the 30-60-90 day disposition goals as the sole measure to more customer-focused goals such as % of claimants who remain unrepresented and contact speed

If our new objectives are accomplished, we are doing the right thing for the customers and Allstate

Exhibit 8: Initial Contact Outline

Cover 9 process steps in initial contact

It is important to emphasize that all 9 steps are required

Exhibit 9: Establish Empathy and Gather Injury Facts

Emphasize importance of discussing injury first and tie into feedback from claimant focus groups

Acknowledge this is a change from current practices and doesn't match up with LRS screen flow

Point out that in order to capture BI information without interrogating claimant, we may need to delay completion of the Casualty Hub until a later time

**MISSING
PAGE**

EXHIBIT DISCUSSION GUIDE (cont.)

Exhibit 17: Assist in providing alternate Transportation

Self-explanatory

Suggest meeting with rental vendors to solidify/enhance relationships

Exhibit 18: Explain the BI Settlement Process

Ensure claimant understands the BI settlement process

Ensure claimant understands any applicable state or tort/threshold laws

Exhibit 18a: What Can I Tell Claimants About Attorneys?

Instruct participants to review the document and retain it as a reference

Exhibit 18b: Discuss Attorney Economics

Stress that while we want to discuss attorney involvement in a straightforward manner, we need to make sure we do not engage in attorney bashing

Claimants should understand that their decision to retain an attorney is their option, regardless

Exhibit 18c: Recommended Attorney Economics Script

It is critical that deviations from the recommended script are not advised

Exhibit 19: Close and Follow-up

We should review the settlement arrangements before ending the conversation

It is important to agree on the timing and contact of the next follow-up step (which should be had within one week)

We should invite the claimant to call us back with any questions

**MISSING
PAGE**

EXHIBIT DISCUSSION GUIDE (cont.)

Exhibit 29: Designing Ongoing Rapport Program

Always have a specific date and timeframe set up for the next follow-up call

Emphasize that each rep must have an organized suspense system

If the agreement is that the claimant is to contact us and we have not heard from him/her, call him/her

If we have scheduled follow-up after a certain key event which has not taken place as scheduled, call to acknowledge the delay and indicate that we are working to resolve it

Stress the importance of communication/settlement at the claimant's desired pace

Exhibit 30-35: Face-to-Face Guidelines

Some claimants find face-to-face beneficial while others find it intrusive. Refer to guidelines and cover the scenarios

Face-to-face should not be confined to traditional pop-out type injuries

Stress the importance of the guidelines for conducting a face-to-face. What is often considered common sense often gets forgotten in the rush to meet a claimant

Exhibit 36-45: Summary of the Segment

Review the changes in each section of the unrepresented segment with all meeting participants

Review contact hours

Review matrices. Use updated region specific matrices if available

Ask for questions concerning the new approaches or any tools they may be asked to use

CONFIDENTIAL

Uninsured Motorist Unrepresented Segment Training

ALLSTATE INSURANCE

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

ENHANCING UM INVESTIGATION**Key findings**

Countrywide, approximately 60 percent of UM coverages are represented, and represented claims cost approximately 90 percent more than unrepresented claims in some large segments

Countrywide some UM claims are paid where 3rd-party coverage exists. Recoveries from other carriers are substantially less than payouts under the UM coverage

Sources of enhanced investigation exist but are not utilized today

Early settlement of subrogation yields greater collections

Current measures fail to reward excellence in UM subrogation

Objectives of Ideas

Focus on reducing the need for attorney representation

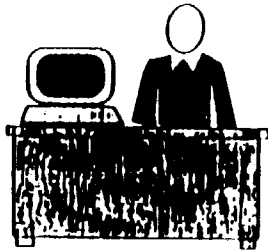
Find insurance before, instead of after, paying claim

Fully utilize available information to improve up-front investigation

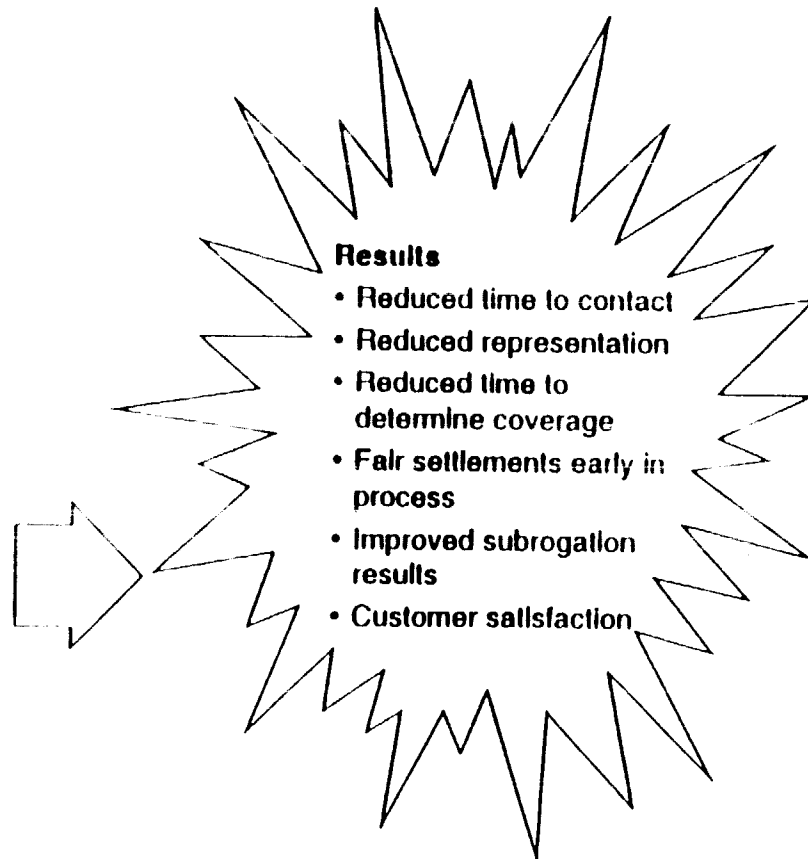
Establish commitment to pay early when awareness of accident and damages is fresh in the mind of the uninsured motorist

Give subro units incentives to balance resources spent against money recovered from different types of UM claims

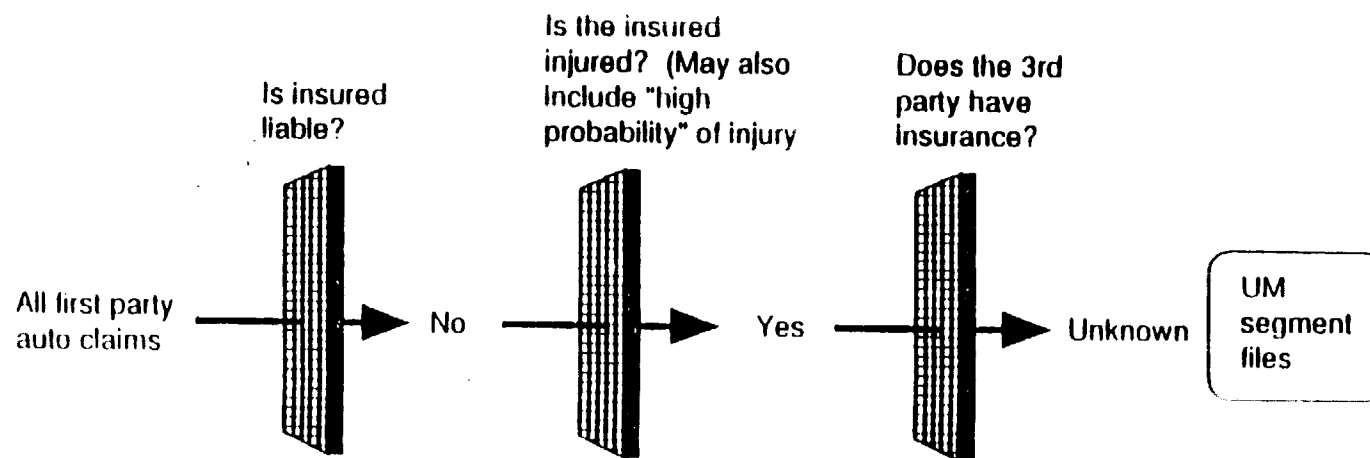
SPECIALIZED UM CLAIM REPRESENTATIVE



- Improved 1st party handling
 - Focus on rapport
 - Reducing hassle through increased information exchange
 - Regular follow-up
- Improved investigation for subrogation
 - Probing for UM asset information
 - Increasing use of Investigative tools
 - Early commitment to payment



UM SEGMENT FILE SCREENING



CRITERIA FOR OPENING UM FILE

The following facts indicate the likelihood of an uninsured motorist, but require additional investigation

- Statement from claimant of noninsurance by phone, letter, or face-to-face contact
- Police Report indicating no insurance
- Vehicle registration shows no insurance
- Noninsurance letter from carrier indicating lapse
- Affidavit from claimant or from attorney
- Notification from the state (DMV, INS department, MVA) certifying that claimant has failed to provide proof of financial responsibility

INITIAL CONTACT – INSURED CONTACT

- 1. Establish empathy and gather injury facts**
- 2. Confirm Customer Service Pledge***
- 3. Gather loss facts/tortfeasor insurance information***
- 4. Confirm liability decision**
- 5. Discuss payment of medical bills/wage loss; explain all UM policy benefits***
- 6. Assist in providing for car repairs****
- 7. Assist in arranging for alternate transportation****
- 8. Explain the BI settlement process and discuss attorney economics**
- 9. Close and follow up**

* Modified from unrepresented 3rd party BI to deal with 1st party unrepresented BI claimants in UM case
** As appropriate, depending on coverage

UNINSURED MOTORIST
PLEDGE



CUSTOMER SERVICE PLEDGE

As an Allstate policyholder, if you have been involved in an accident, we promise you the following:

- 1) We will fully explain the process, take the time to answer all questions and concerns that you may have, and keep you informed throughout the claim process.
- 2) We will conduct a quick, fair investigation of the facts in your case.
- 3) If you are injured, and have uninsured motorist coverage, but the other driver does not have insurance:
We will help you determine if you are eligible to receive compensation;
and
We will discuss fair payment for your claim when you feel you are ready.
- 4) If you have the appropriate coverages:
We will assist you with providing for the repair of your vehicle; and
We will assist you in arranging for a rental vehicle.
- 5) We will aid you in reporting your claim against the other insurance carrier if we locate insurance coverage for the other driver.

Your claim representative is dedicated to carrying out this Pledge.

INSERT CLAIM REPRESENTATIVE
BUSINESS CARD HERE

GATHER LOSS FACTS/TORTFEASOR INSURANCE INFORMATION

- In addition to discussing loss facts, tortfeasor insurance information must be pursued
- Ask insured if any information about the claimant was obtained at the scene or afterward
- Probe for name, address, phone numbers, employer, drivers license, description of vehicle, license plate, etc.
- Ask insured for police report information: precinct, officer's name, report number, etc.
- Gather information in sensitive, nonthreatening manner
- Set customer expectations on claim handling based on information gathered

POLICY EXPLANATION

- Explain necessity to investigate whether the other driver has insurance, but stress your willingness to assist Insured in filing a claim with the other party's carrier (if one is available); or handle it under Insured's policy (if no insurance is confirmed)
- All policy benefits must be explained to the Insured:
 - UM/BI
 - UM/PD, if applicable
 - UM/LOU, if applicable
 - Collision, if applicable
 - Deductibles

COMMUNICATION ISSUES FOR INSURED CUSTOMERS WITH UM CLAIMS

Issue	Avoid communications like . . .	Instead use
Subrogation	<p>"Allstate has certain rights to recover payments from the party responsible..."</p> <p>"If we are unable to collect anything from the responsible party, you will have to pursue any recovery on your own..."</p>	<p>"We are currently attempting to contact the uninsured motorist involved in your accident and request that he or she agree to pay Allstate any amounts which we have paid or will pay to you. With your permission, we will also attempt to recover any deductible on your behalf"</p>
Attorney Representation	<p>"Failure to pursue one of the above actions will result in a loss of all rights of recovery..."</p>	<p>"Please allow me to discuss your settlement options before seeking attorney representation"</p> <p>Use Attorney economics script</p>

ADDITIONAL SUPPORTING TOOLS – UM INSURED FIRST-PARTY CONTACT

Tools	Purpose
Modified contact script – first party/modified contact checklist	Establish guidelines and training for effective, consistent communication with insured about the process
Modified insured contact letters	Establish rapport and communicate the Allstate promise
Direct billing of rental	Eliminate out-of-pocket expenses to insured for better customer service and manage UU cost, if available
Medical and wage authorization/cover letter	Acquire medical and wage loss information to assist in evaluation of file (same as unrepresented BI)

UNREPRESENTED INSURED CONTACT CHECKLIST - UM SEGMENT

1. Establish initial empathy and gather injury facts	<ul style="list-style-type: none"> • "How are you feeling today?" • "I'm sorry to hear you were hurt." • "I know how inconvenient this must be for you." • "Have you seen your doctor yet? Who is your doctor?" • "Are you planning to see a doctor?"
2. Confirm Customer Service Pledge	<ul style="list-style-type: none"> • "I'm sure you have a lot of questions and I'll answer each one of them as we go on..." • "Today, we will talk about your injury, your car, and a rental."
3. Gather loss facts/tortfeasor insurance information	<ul style="list-style-type: none"> • "Let me confirm what happened. The report says . . ." - Location - Reports - Witnesses - Admission of fault - Injury - Tortfeasor insurance information - Insurance damages - Claimant car license tag - Claimant
4. Confirm liability decision	<ul style="list-style-type: none"> • "Let me put your mind at ease" OR • "I haven't been able to finalize my investigation, but I promise to do that as quickly as possible" OR • "I have to be honest with you, based on what you're telling me and our investigation up to now, we can't demonstrate that the other party was at fault. Let me explain what this means . . ."
5. Discuss payment of medical bills/wage loss/UM benefits	<ul style="list-style-type: none"> • Explain first party meds • Wage loss • Offer to call claimant carrier • UM/UIM coverage, if applicable
6. Assist in providing for car repairs*	<ul style="list-style-type: none"> • "Do you have a particular shop in mind to do the repairs?" - PRO - DI - Field - T/L unit
7. Assist in arranging for alternate transportation*	<ul style="list-style-type: none"> • "Will you need other transportation?" - Offer comparable sized car - Arrange direct billing (with UU coverage) - Call rental company to set up
8. Explain BI settlement process and discuss attorney economics	<ul style="list-style-type: none"> • Settlement options <ul style="list-style-type: none"> - When you're ready - Now - When treatment is complete - Any time in-between • Attorney discussion <ul style="list-style-type: none"> - Some people choose attorneys, but we'd like opportunity to work directly with you - Attorney takes contingency fee - Let me make you an offer first
9. Close and follow up	<ul style="list-style-type: none"> • Review PD, LOU, and injury discussion • Probe for unanswered questions • Make definite plan for follow-up

* As appropriate, depending on coverage

Tool: Contact script – Insured claimant/UM case
Purpose: Provide example wording for consistent empathetic initial contact to reduce need for attorney
When: Initial telephone contact (within hours of loss)
Who: Injured insured with insufficient information known on 80-100% liable 3rd party
Instructions: Use as guideline for appropriate contact conversation

**Establish empathy/
gather injury facts**

Hello, my name is . . . I am your claim adjuster from Allstate Insurance Company. I will be handling your claim. I understand that you were involved in an accident . . . (time (last night, yesterday . . .))

How are you doing today? (Determine if the customer was injured and what type of injury – leave room for customer to describe his experience)

**Injury/loss fact
gathering**

Complete Casualty Hub (see attached). (show empathy)

Have you seen a doctor yet?

Yes – Who is your doctor? What did Dr. _____ say about your injuries (diagnosis)? How long do you expect to treat?

No – Are you planning to see one?

Work issues?

**Confirm Customer
Service Pledge**

Many people are not familiar with how to handle a claim, so I would like to explain the claim process to you. (Refer to Customer Service Pledge)

**Gather loss facts/
tortfeasor insurance
information**

"Let's confirm what happened." The loss report says . . . would you like to add anything to this loss description?" Were there any witnesses? Any injuries reported at the scene? Were the police called? Any tickets? Anyone admit fault? Any damages to your vehicle? The other driver's vehicle?

We would like to contact the other driver to find out whether he has insurance. Did you discuss insurance with the other driver?

(some info. in file) I have some information in my file, can you confirm that information . . . Did you get any other info . . .

(no info.) Did you get any identification information on the other driver?

- Driver's license
- Name
- Plate
- Description of other vehicle
- Phone numbers
- Employer

Is there anything else that you can recall about the person that could help us locate him?

**Confirm liability/
discuss investigation
Admit fault (If third-
party 80-100% at fault)**

Let me explain how we'll take care of your damages. I am sorry for the inconvenience this accident may have caused you, but I will do my best to make the claims handling as hassle free for you as possible

**Explain claim process
and liability coverage**

I havent been able to finalize my investigation of the liable party, but I promise to do that as quickly as possible

Many people are not familiar with how to handle a claim, so I would like to explain the claim process to you.

If the other driver is uninsured, we will cover your wage losses under your uninsured motonst coverage if your injury causes you to miss work.

We will send you a medical and wage loss authorization form for your signature, and we can get all the necessary information from your doctor and employer

You may be eligible to receive a settlement for the inconvenience you may suffer.

**Assist in providing for
auto repairs**

If you have coverage – We will pay for repair of your car.

(Collision) [As previously stated, we will pay for the repairs to your car. Do you have a particular shop in mind to do the repairs? (Discuss PRO, DI, Field options)

(SD only) [The damage to your vehicle will be covered. If we confirm that the other driver is uninsured, your uninsured motonst collision coverage will cover the damage to your vehicle up to the limits of your coverage. At present, our investigation is still incomplete. However, we can still write an estimate for your repairs now. That way, if we find insurance, we can present a claim on your behalf to the other carer. (DI or FLD)

**Explanation of
uninsured motorist
coverage**

Explain the UM coverages.

I need to investigate whether the other driver has insurance, but I will be glad to assist you in filing a claim with the other party carer (if one is available) or handle it under your policy (if no insurance).

Alternative transportation (rental coverage exists)

Do you need a replacement vehicle while you are waiting for your car to be repaired? (Determine type of car needed – flexible)

- We can arrange for a car rental company to pick you up and take care of your rental. **We can take care of the bills directly** except for the gas or additional insurance charges. Explain how the customer's current insurance applies.
- If you have another vehicle to use, we can pay you directly for the inconvenience of your vehicle being broken-down.

What do you prefer?

Alternative transportation (NO rental coverage exists)

While you do not have coverage for rental reimbursement under your policy, we will be happy to refer you to a rental agency that will give you our Allstate discount rate of _____ dollars per day. You may wish to speak with your agent about rental reimbursement coverage for possible future losses, or would you like me to have your agent contact you?

Other property concerns (if covered)

Do you have any other concerns or questions regarding your property damage?

Explain BI settlements

The most important thing in settling your claim is that you feel comfortable with the process. We will do this in a way and at a pace you find appropriate.

We can take care of your medical concerns in a number of different ways. We will complete the handling of your claim when you feel the time is right. You do not have to decide today. I just want to tell you your options.

- Wait until your treatment is completed. We can wait until you have fully recovered from your injuries and are done with all medical treatments.
- Handle today. If you have already been to the doctor, or don't plan to go, we can compensate you for your injuries today if you like
- We can settle when you feel the time is right
 - O.E.M. settlements
 - Projected Medical Settlement

We will reimburse you for your medical expenses under your medical payments coverage or PIP (and also under your UM coverage if that applies)

Is reimbursement a problem for you? Do you need money to pay for your treatment?

YES – Maybe we should meet and sit down to find out how we can resolve this issue?

Options:

- First call settlement
- Direct billing with medical provider
- Open end medical release

Attorneys

Quite often our customers ask if an attorney is necessary to settle a claim. Some people choose to hire an attorney, but we would really like the opportunity to work directly with you to settle the claim.

Attorneys commonly take between 25 to 40% of the total settlement you receive from an insurance company plus expenses incurred. If you settle directly with Allstate, however, the total amount of the settlement is yours.

At any time in the process you may choose an attorney, however, please allow me to make an offer to you first. This way you would be able to stipulate that the attorney's fees would only be derived from amounts over my offer to you.

Follow up/next step

Any further concerns?

When do you prefer to be contacted again? After your doctor visit? After talking to the PRO shop? Would you prefer to be contacted at home or at work?

YES – Maybe we should meet and sit down to find out how we can resolve this issue?

Options:

- First call settlement
- Direct billing with medical provider
- Open end medical release will send you a letter confirming what we have discussed today. If you have any further questions or concerns, please do not hesitate to call me. My direct line is..... and you can leave me any messages 24 hours a day.

Do you have any other questions?

Face to face

Recommend face to face:

- Difficult to communicate with
- No health insurance or med pay to cover medical
- On request of insured
- Policy limits cases
- Rapport is deteriorating

One last thing before we hang up. I would like to meet with you in person to discuss this in more detail. Where would you prefer to meet?

- I could come to your home or workplace
- You can come to our claim office
- I could meet you at one of our Drive-in or PRO shop when you deliver your vehicle for repair

SUPPORTING TOOLS FOR CLAIMANT CONTACT AND SUBROGATION

Tool	Purpose
UM scrip/contact checklist	<ul style="list-style-type: none"> • Probe for carrier and explain ramifications of failure to pay
Claims a la carte	<ul style="list-style-type: none"> • Provide claimant information based on partial information input to help locate insurance • Provide information on claimant assets and ability to pay
Police report vendor	<ul style="list-style-type: none"> • Avoid time and expense of utilizing claim reps to collect police reports • Possibly reduce time to contact with claimant
C-790	<ul style="list-style-type: none"> • Probe for assets, ability and willingness to pay • Communicate information to subro office
Promissory note	<ul style="list-style-type: none"> • Commit claimant to paying the casualty subrogation early in the process (typically at same time as property subrogation settled)

INITIAL CONTACT OUTLINE – AT FAULT CLAIMANT/UNINSURED MOTORIST

- Opening
- Obtain loss facts
 - Description of accident
 - Injuries
 - Fault admission
 - Police report info
- Obtain vehicle ownership information
 - Name, address, phone numbers
 - Permissive use
- Probe for insurance information
 - Owner carrier
 - Driver carrier
 - Household carriers
- Obtain subrogation information
 - Additional C790 information (assets, employer, etc.)
 - Ability/willingness to pay
 - Payment plan
- Explain liability/investigation circumstances
 - Fault
 - Obligation to pay
- Closing and follow-up
 - Collection (subrogation) office will reach you
 - Promissory note

Tool: Contact Script – Uninsured motorist

Purpose: Provide example wording for tactful probing for information useful in subrogation

When: Use in conjunction with C790 and contact checklist as soon as information on UM is located

Who: Uninsured liable motorist

Opening Hello, my name is _____. I am the adjuster from Allstate Insurance Company who is handling the claim for our policyholder _____. I understand that you were involved in the accident with our policyholder on _____ (date) at _____ (time) near _____ (location).

Loss facts

- Would you please give us a brief account of how this accident occurred?
- Were there any witnesses to this accident?
- Did you report this accident to the police?
 - Was the report taken at the scene or police station?
 - Were any tickets issued?
 - Did anyone admit fault?
 - Were there any injuries at the scene?

Ownership

- What type of vehicle were you driving (year and make)?
- Was there any damage to your vehicle, and if so, where is the damage located?
- Do you own the vehicle?
 - If so, when and from whom did you purchase the vehicle?
 - Is there a lien holder (who)?
 - Are you the sole owner?
 - If not, please identify the owner(s)?
- If not owned, who is the registered owner? (name, address, phone)
- How did you happen to be using the vehicle at the time of the accident? – (Personal use, errand for other, in the course of employment, if owned, or with permission of the owner, any of the above)

Insurance

- Did you report this accident to your insurance carrier, or, if not owned, the owner's carrier? (Please identify the name, address, phone number, claim/policy number for this carrier)
- Is the carrier covering the loss, or did they deny the claim? – Reason for denial?
- If no insurance, did you ever have insurance? If so, name and address of insurance broker or company, kind of coverage (liability or collision), policy number.

Contract script-uninsured motorist (continued)

Liability M ___ based on our investigation of this loss, it would appear that you are legally responsible for the accident and the damages sustained by our policy holder. Once we have made a settlement with our policy holder, you will be responsible for reimbursing us for his/her claim. Your failure to reimburse us may result in our contacting the department of motor vehicles, and as a result, your driving privileges may be suspended or revoked. (This may differ from state to state, please apply local rules.)

Willingness to pay

- We realize that you may be unable to make a single, full payment, but our subrogation department can make arrangements for a payment plan that you can manage. However, if you fail to make arrangements, or maintain payments, we may refer this matter to an attorney which may result in additional costs to you. Can we expect your full cooperation?
- Could we work out some payment plan that would be acceptable?
 - How much could you pay up front (lump sum)?
 - How much could you pay monthly?

Additional information Would you please answer the following questions (to complete C790)?

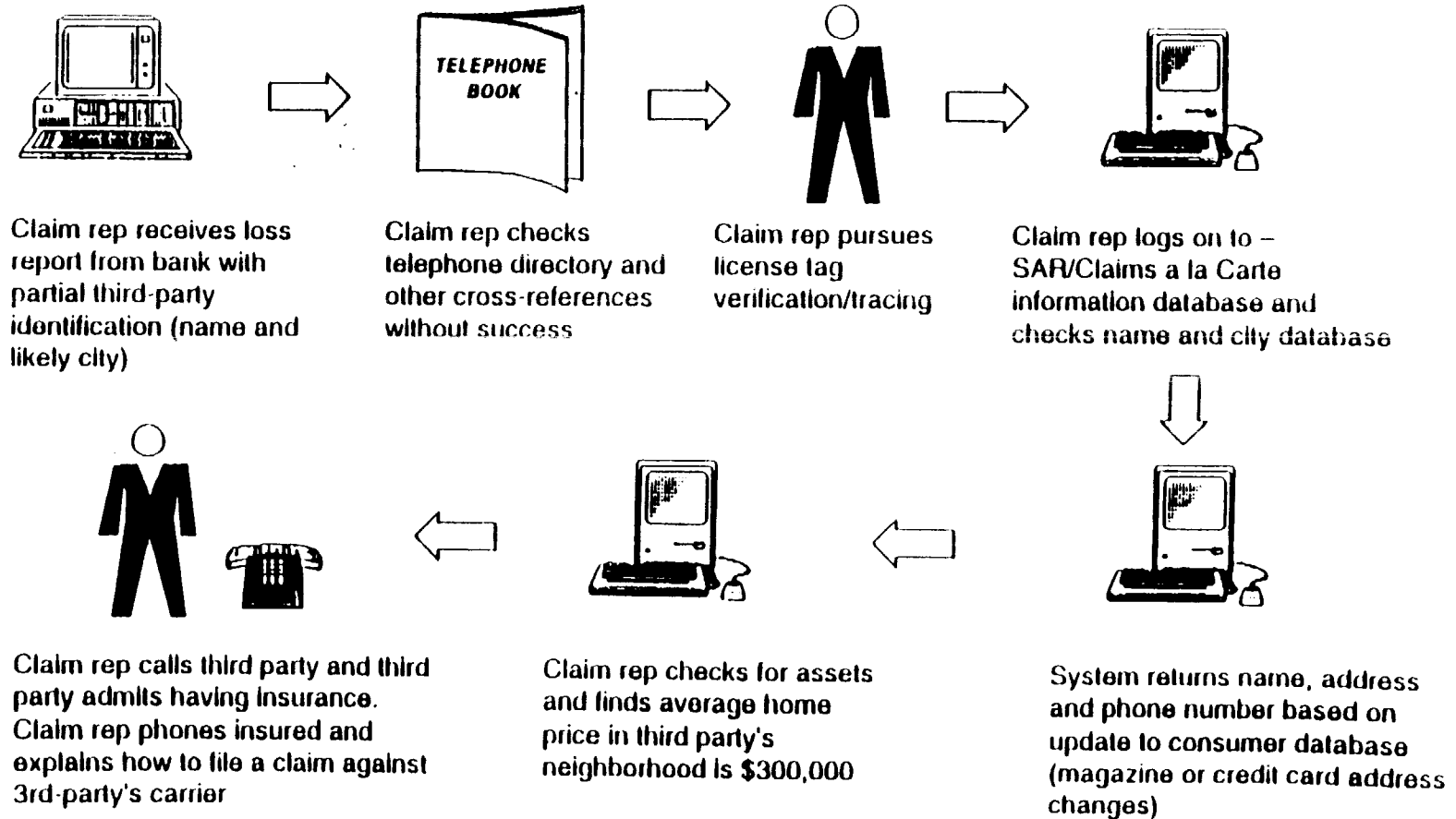
- Do you rent or own your home? Address?
- How long have you been at that address? How much did your home cost?
- Do you own any vehicles?
- What is your employment address?
- What is your position and salary?

THIRD-PARTY CONTACT CHECKLIST UM

1. Introduction and general inquiries	<ul style="list-style-type: none"> • Confirm loss (date, time, location) with our insured • Negate BI to UM and any passengers
2. Loss facts	<ul style="list-style-type: none"> • Brief factual account • Witnesses? • Police report? tickets? • Admission of fault? • Injuries reported at scene?
3. Ownership	<ul style="list-style-type: none"> • Type of vehicle • Damages • Owned? Where purchased? OR • Lienholder (who) • If not owned, who does the vehicle belong to? • If not owned, how did you happen to be using this vehicle
4. Insurance	<ul style="list-style-type: none"> • Was this loss reported to vehicle carrier? • Get all carrier information • Was loss covered or denied by carrier?
5. Liability (UM confirmed)	<ul style="list-style-type: none"> • Confirm liability or the need for additional investigation • If liable, discuss responsibility to reimburse for damages • Failure to reimburse may cause suspension of driving privileges • Failure to reimburse could also result in referral to attorney which may result in additional cost
6. Willingness to pay	<ul style="list-style-type: none"> • Show empathy for economic burden and offer to work out a payment plan • How much can you pay up front? • How much can you pay monthly?
7. Additional information for our subrogation department	<ul style="list-style-type: none"> • Do you own a home or rent (how long)? • Own other vehicles? • Employer and address • Position and salary

EXAMPLE: INFORMATION RESEARCH SUPPORT OF UM PROCESS

EXAMPLE



POLICE REPORT RETRIEVAL PROCESS

EXAMPLE

	Pro	Con
Option 1 – claim rep-driven Claim reps visit local police stations	<ul style="list-style-type: none"> • Speed 	<ul style="list-style-type: none"> • Cost of claim rep travel time • Time returning calls missed while away from office
Option 2 – Internal employee Hire nonclaim rep employee to retrieve police reports	<ul style="list-style-type: none"> • Potentially lowest cost 	<ul style="list-style-type: none"> • Need to manage quality of work
Option 3 – external vendor Utilize external vendor to retrieve police reports in hard copy	<ul style="list-style-type: none"> • Capture portion of volume efficiencies 	<ul style="list-style-type: none"> • Need to manage quality of work
Option 4 – external vendor – electronic Utilize external vendor to electronically capture information on police reports	<ul style="list-style-type: none"> • Rapid access • Access to police reports other than ones requested allowing search for unreported accidents 	<ul style="list-style-type: none"> • Some states may not provide for access • Potentially high cost if Allstate has low volume of police reports
Option 5 – convince local police departments to offer on-line access	<ul style="list-style-type: none"> • Access to police reports other than ones requested allowing search for unreported accidents 	<ul style="list-style-type: none"> • Delays in getting information on line

Identification information

Potential uninsured motorist

Name _____
 Address _____

 Phone - Home _____
 - Work _____
 Date of birth _____
 Driver's license number _____
 Social Security number _____
 Ability to pay _____
 Insurance _____
 Insurance (admit/deny) _____
 Name of carrier _____
 Policy number _____
 Date accident reported _____
 Accident report number _____
 Assets _____
 Own or rent a home _____
 Number of years at location _____
 Value when purchased _____
 Vehicles owned _____
 Cash flow _____
 Employer _____
 Employer address _____

 Employer phone _____
 Position _____
 Salary _____

Spouse (parents if minor)

Name _____
 Address _____

 Phone - Home _____
 - Work _____
 Date of birth _____
 Driver's license number _____
 Social Security number _____
 Ability to pay _____
 Insurance _____
 Insurance (admit/deny) _____
 Name of carrier _____
 Policy number _____
 Date accident reported _____
 Accident report number _____
 Assets _____
 Own or rent a home _____
 Number of years at location _____
 Value when purchased _____
 Vehicles owned _____
 Cash flow _____
 Employer _____
 Employer address _____

 Employer phone _____
 Position _____
 Salary _____

Willingness to pay (circle one)

- High - uninsured motorist expressed a desire to pay debts owed
- Low - uninsured motorist expressed no intent to attempt repayment
- Adverse - uninsured motorist recognized liability, but disclaimed any intention to pay debt
- Liability dispute - uninsured motorist disputed liability for accident

Payment preference

Lump sum payment _____
 Payment plan _____

Comments/source

THIS IS A LEGAL DOCUMENT -- READ IT CAREFULLY BEFORE YOU SIGN.

AGREEMENT TO PAY IN INSTALLMENTS

Agreement between Allstate and _____ (name)
("you" or "your").

You were involved in an accident with a person insured under an Allstate automobile insurance policy. Allstate, through the policy purchased by its policyholder, will pay for the damages incurred by our policyholder. However, both Allstate and our policyholder have certain rights which enable Allstate and the policyholder to pursue recovery of payments by Allstate from the person ultimately responsible for the damages. Allstate believes that you are responsible for the payment of these damages.

Allstate has paid \$_____ (including a deductible of \$_____) to repair the insured person's vehicle, and Allstate expects to pay \$_____ to compensate the insured person for his or her medical expenses, lost wages and pain and suffering.

Allstate and you hereby agree to settle issues relating to recovery of amounts that have been paid or will be paid by Allstate to the insured person, as follows:

1. You hereby unconditionally promise to pay to Allstate, at its address at _____, the total sum of \$_____ by making monthly payments of \$_____, commencing on _____, 19____, with each payment due by _____, until the entire amount due is paid in full.

2. If Allstate pays the insured person less than the total sum set forth in Paragraph 1 in settlement of the insured person's claim, your debt shall be reduced accordingly.

3. Allstate may demand immediate payment of the entire outstanding balance if any payment is received by Allstate after the payment due date, or is never received. You agree to pay all costs incurred by Allstate to collect and enforce this Agreement (whether or not suit is brought), including attorneys' fees.

4. You understand and acknowledge that this Agreement is solely between you and Allstate, and does not affect any rights which a policyholder or insured person may have.

By: _____

Date: _____

Allstate Insurance Company
Allstate Indemnity Company

February 1, 1995

Jane Seven
777 Manhattan St.
Pueblo, CO 77777-7777

Date of Accident: July 15, 1991
Claim Number: 6101000674 VLP

SAMPLE

Dear Ms. Seven:

Although we recently talked, I want to reaffirm that you are entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Good Hands Pledge." Please save my business card in case you need to reach me.

As we discussed, in order to evaluate your injury claim, I will need to obtain your medical bills and reports and verify any wage loss you might have. I have enclosed an authorization for your signature which will allow me to contact your medical providers and employers for this information. Please complete the form and return it to me in the self-addressed envelope I have provided.

Please be assured that this authorization only gives Allstate the permission to gather information to review your case. It will not affect your right to pursue a claim.

If you have any questions, do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

Claim Representative
800-326-0090

2 Enclosure
Copies to: R. Lee King
I. Payne

Insured (UM Claim) Contact with Pledge and Medical-Wage
Authorization

NOTE: THESE LETTERS ARE EXAMPLES ONLY.
NEW LETTERS ARE BEING WRITTEN FOR OASYS
(AVAIL 3RD QTR 95)
CREATE AND USE LOCAL VERSIONS NOW

February 1, 1995

Jane Fourteen
14 Main St.
Pueblo, CO 81001-4141

SAMPLE

Date of Accident: July 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Fourteen:

Although we recently talked, I want to reaffirm that you are entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Good Hands Pledge." Please save my business card in case you need to reach me.

If you have any questions, do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

Claim Representative
800-326-0090

1 Enclosure
Copies to: O. Henry
G. Demaupassant

Insured (UM Claim) Contact with Pledge only

NOTE: THESE LETTERS ARE EXAMPLES ONLY.
NEW LETTERS ARE BEING WRITTEN FOR CASYS
(AVAIL 3RD QTR 95)
CREATE AND USE LOCAL VERSIONS NOW



February 1, 1995

Jane Fifteen
15 Main St.
Pueblo, CO 15151-5151

[SAMPLE]

Date of Accident: July 15, 1991
Claim Number: 6101000674 VLP

Dear Ms. Fifteen:

I recently received notice of your accident. We may have already spoken, but if not, I will be trying to reach you very soon. In either case, I want to emphasize that you are entitled to quality customer service.

As your claim representative, my role is to ensure that you receive this quality customer service, outlined in the enclosed "Good Hands Pledge." Please save my business card in case you need to reach me.

If we have not already spoken, please do not hesitate to call me during my regular office hours of 8:00 a.m. to 4:30 p.m., or leave a message on my voice mail anytime and I will call you back as soon as I can.

Sincerely,

Claim Representative
800-326-0090

1 Enclosure

Copies to: L. Erixon
E. T. Redd

INSURED (UM CLAIM) CONTACT PENDING WITH PLEDGE ONLY

NOTE: THESE LETTERS ARE EXAMPLES ONLY.
NEW LETTERS ARE BEING WRITTEN FOR OASYS
(AVAIL 3RD QTR 95)
CREATE AND USE LOCAL VERSIONS NOW

**MISSING
PAGE**

SUGGESTED MEASURES

- Time to initial contact with insured
- Representation rate
- Severity (BI and PD)
- Percent complaints per 1,000 coverages opened
- Percent subro referrals
- Percent dollars recovered on subro referrals
- Percent insurance located at subro

CONFIDENTIAL

Unrepresented Role Plays

ALLSTATE INSURANCE

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

ROLE PLAY FEEDBACK NOTES

Activity	Communication that demonstrates key success factors	Communication that does not reinforce success factors	Suggestions
1. Establish initial empathy and gather injury facts			
2. Confirm pledge			
3. Gather loss facts/insurance information			
4. Confirm liability decision			
5. Discuss payment of medical bills/wage loss/explain policy benefits			
6. Arrange for car repairs			
7. Provide alternate transportation			
8. Explain the BI settlement process and discuss attorney economics			
9. Closing and follow-up			

UNREPRESENTED SEGMENT ROLE PLAYS

Accident facts/liability	Claimant Injuries	Claimant PD	Claimant concerns/attitude
Insured rear ends claimant Low impact	<ul style="list-style-type: none"> • Sore neck • Headache • Went to ER 	<ul style="list-style-type: none"> • New car • Minimal PD (\$1,500) 	Uninformed claimant <ul style="list-style-type: none"> • Never has had a claim • Does not know how to handle the claim • Shaken up/concerned about car
Same	Same	Same	Opportunist <ul style="list-style-type: none"> • Has had multiple claims in the past • Understands that the claim is worth money • Has always used an attorney to settle claims
Insured rear ends claimant High Impact	<ul style="list-style-type: none"> • Herniated disk • Potential for operation • Broken nose 	<ul style="list-style-type: none"> • Old car • Total/major damage 	Uninformed claimant – same as above, plus: <ul style="list-style-type: none"> • Very concerned about disfigurement and permanency • Does not have high levels of medical coverage
Insured pulled out without stopping from a stop sign, claimant hit insured on front 1/3 passenger side; likely that is 15-25% liable Moderate impact	<ul style="list-style-type: none"> • Sore neck and back 	<ul style="list-style-type: none"> • Late model car • \$5,000 damage 	Uninformed <ul style="list-style-type: none"> • Very concerned about liability and the potential negative insurance rates • Claimant wants justice
Both cars pulled into an intersection after stopping; no witnesses Minor impact	<ul style="list-style-type: none"> • Claimant has sore neck and back 	<ul style="list-style-type: none"> • Late model car • \$1,000 damage 	Opportunist <ul style="list-style-type: none"> • Concerned about liability

UNREPRESENTED UM ROLE PLAYS

Accident facts/liability	Insured's Injuries	Claimant PD	Insured concerns/attitude
<p>Claimant rear ends Insured</p> <p>Low Impact</p> <p>Claimant had no proof of Insurance at scene</p>	<ul style="list-style-type: none"> • Sore neck • Headache • Went to ER 	<ul style="list-style-type: none"> • Approximately \$1,500 	<p>Insured angry and upset; planning to hire attorney to sue other driver; "why should my own company have to pay this?"</p>
<p>Claimant made left turn in front of Insured at controlled intersection; 2 witnesses; point of impact to Insured's mid-left side; claimant is uninsured</p>	<ul style="list-style-type: none"> • Sore back • Went to ER • Plans to go to chiropractor if not better soon 	<p>Moderate</p>	<p>Insured is unsure; does not know how to proceed</p>
<p>Insured reports phantom vehicle forced him off road into embankment; police report filed; no witnesses; vehicle described but no tag number obtained</p>	<ul style="list-style-type: none"> • Sore ribs • Hit head on window • Went to ER • Has doctor visit scheduled 	<p>Not driveable</p>	<p>Insured is uncertain how to proceed; no prior UM claims</p> <p>Insured is evasive on loss facts; prior UM claim; wants assurance that all UM benefits will be paid</p>

UM UNREPRESENTED SEGMENT ROLE PLAY

Contact with uninsured motorist

Loss facts/liability	Claimant insurance/ asset information	Claimant attitude about the loss
Claimant made left turn in front of insured, but claims that he was turning on an arrow	Claimant claims to have no insurance, but does not feel completely responsible for the loss	Claimant is angry and defensive Knows he owes something, but does not feel 100% at fault

UNREPRESENTED CLAIMANT CONTACT CHECKLIST

1. Establish initial empathy and gather injury facts	<ul style="list-style-type: none"> • "How are you feeling today?" • "I'm sorry to hear you were hurt" • "I know how inconvenient this must be for you"
2. Confirm pledge	<ul style="list-style-type: none"> • "I'm sure you have a lot of questions and I'll answer each one of them as we go on . . ." • "Today, we will take care of your car, arrange for a rental, and . . ."
3. Gather loss facts	<ul style="list-style-type: none"> • "Let me confirm what happened. The loss report says . . ."
4. Confirm liability decision	<ul style="list-style-type: none"> • "Let me put your mind at ease" or • "I have not been able to finalize my investigation, but I promise to do that as quickly as possible"
5. Discuss payment of medical bills or wage loss	<ul style="list-style-type: none"> • Explain first party meds • Wage loss • Collateral sources • Offer to call the claimant's carrier
6. Arrange for car repairs	<ul style="list-style-type: none"> • "Do you have a particular shop in mind to do the repairs?" – PRO – DI – Field – T/L unit
7. Provide alternate transportation	<ul style="list-style-type: none"> • "Will you need other transportation?" – Offer comparable sized rental car – Arrange direct billing – Call rental company to set up a rental
8. Explain the BI settlement process and discuss attorney economics	<ul style="list-style-type: none"> • Settlement option: <ul style="list-style-type: none"> – "When you are ready" – Now – When treatment is complete – Any time the claimant wants • Attorney economics <ul style="list-style-type: none"> – Some people choose to hire an attorney, but we would like the opportunity to work directly with you – An attorney takes a contingency fee – Statute of limitations – "Let me make you an offer first"
9. Close and follow-up	<ul style="list-style-type: none"> • Review PD, LOU, and injury discussion • Probe for unanswered questions • Make definite plans for a follow-up discussion

UNREPRESENTED INSURED CONTACT CHECKLIST – UM SEGMENT

<p>1. Establish initial empathy and gather injury facts</p>	<ul style="list-style-type: none"> • "How are you feeling today?" • "I'm sorry to hear you were hurt." • "I know how inconvenient this must be for you." • "Have you seen your doctor yet? Who is your doctor?" • "Are you planning to see a doctor?"
<p>2. Confirm Pledge</p>	<ul style="list-style-type: none"> • "I'm sure you have a lot of questions and I'll answer each one of them as we go on..." • "Today, we will talk about your car, a rental, and your injury"
<p>3. Gather loss facts/ tortfeasor insurance information</p>	<ul style="list-style-type: none"> • "Let me confirm what happened. The report says . . ." - Location - Reports - Witnesses - Admission of fault - Injury - Tortfeasor insurance information - Insurance damages - Claimant car licence tag - Claimant
<p>4. Confirm liability decision</p>	<ul style="list-style-type: none"> • "Let me put your mind at ease" OR • "I haven't been able to finalize my investigation, but I promise to do that as quickly as possible"
<p>5. Discuss payment of medical bills/wage ss/UM benefits</p>	<ul style="list-style-type: none"> • Explain first party meds • Wage loss • Offer to call claimant carrier • UM/UIM coverage, if applicable
<p>6. Arrange for car repair</p>	<ul style="list-style-type: none"> • "Do you have a particular shop in mind to do the repairs?" - PRO - DI - Field - T/L unit
<p>7. Provide alternate transportation</p>	<ul style="list-style-type: none"> • "Will you need other transportation?" - Offer comparable sized car - Arrange direct billing (with UU coverage) - Call rental company to set up initially
<p>8. Explain BI settlement process and discuss attorney economics</p>	<ul style="list-style-type: none"> • Settlement options <ul style="list-style-type: none"> - When you're ready - Now - When treatment is complete - Any time in-between • Attorney discussion <ul style="list-style-type: none"> - Some people choose attorneys, but we'd like opportunity to work directly with you - Attorney takes contingency fee - Statute of limitations - Let me make you an offer first
<p>9. Close and follow up</p>	<ul style="list-style-type: none"> • Review PD, LOU, and injury discussion • Probe for unanswered questions • Make definite plan for follow-up

RECOMMENDED ATTORNEY ECONOMICS SCRIPT

Attorneys

Quite often our customers ask if an attorney is necessary to settle a claim. Some people choose to hire an attorney, but we would really like the opportunity to work directly with you to settle the claim

Attorneys commonly take between 25-40% of the total settlement you receive from an insurance company plus expenses incurred. If you settle directly with Allstate, however, the total amount of the settlement is yours

At any time in the process you may choose an attorney, however, please allow me to make an offer to you first. This way, should you go to an attorney, you would be able to negotiate with the attorney so his/her fees would only apply to amounts over my offer to you

UNINSURED MOTORIST
PLEDGE



CUSTOMER SERVICE PLEDGE

As an Allstate policyholder, if you have been involved in an accident, we promise you the following:

1) We will fully explain the process, take the time to answer all questions and concerns that you may have, and keep you informed throughout the claim process.

2) We will conduct a quick, fair investigation of the facts in your case.

3) If you are injured, and have uninsured motorist coverage, but the other driver does not have insurance:

We will help you determine if you are eligible to receive compensation; and

We will discuss fair payment for your claim when you feel you are ready.

4) If you have the appropriate coverages:

We will assist you with providing for the repair of your vehicle; and

We will assist you in arranging for a rental vehicle.

5) We will aid you in reporting your claim against the other insurance carrier if we locate insurance coverage for the other driver.

Your claim representative is dedicated to carrying out this Pledge.

INSERT CLAIM REPRESENTATIVE

BUSINESS CARD HERE

TRAINER'S MANUAL

UNREPRESENTED ROLE PLAYS—GUIDE

Note: The exhibits in the participants' presentation packs do not need to be "presented" in the same format as the previous unrepresented segment training. With the exception of role play scenarios and feedback sheets, the package only contains previously introduced process tools.

Trainer Prework:

- Familiarize yourself with the cases. Strongly consider developing your own cases to reflect scenarios typical to the MCO. Doing this has consistently proven to enhance the claim representative's understanding and execution of the processes
- Review the role play analysis section in the Appendix at the end of the Trainer's Guide. This will help you guide the debrief discussions after each role play
- Create a list of participants for each breakout group. Assess the personalities of all participants and design groups with mixes of high and low performers. There should be no more than 4 claim reps per group
- For each group, arrange meeting rooms and make sufficient copies of feedback sheets and additional case studies developed locally
- Ensure there are enough different role plays available so each claim rep is able to play both an insured and a claimant at least twice

Practice Role Plays:

Purpose: To learn how to contact claimants according to CCPR guidelines. It is important to do so claim representatives begin to familiarize themselves with the processes and can make them routine

When: After the unrepresented segment training and before any claim rep begins handling unrepresented BI claimants

Materials: Role play presentation pack, additional copies of feedback sheets, copies of any locally developed role play scenarios

Actions (before role plays)

- Ask if there are any questions about unrepresented claim handling
- Briefly review the presentation pack and the training format
 - explain role plays designed around sample cases followed by feedback sessions
 - emphasize the 9 step process and the requirement to complete all steps
- Communicate that although the role plays seem uncomfortable and unnatural, they are the most effective way of learning the skills and new procedures

UNREPRESENTED ROLE PLAYS—GUIDE (cont.)

- Hand out extra copies of the feedback sheets and explain their use. Note that everyone is required to provide feedback. Instruct the group to note specific words, phrases and tone of each conversation. Positive and negative feedback as well as suggestions for improvement should be elicited from the group

Actions (during the role plays):

- Choose the claimant and claim rep
 - advise that claim rep can use the claimant contact checklist or feedback sheet to guide the conversation
 - caution participants to watch for use of claims "jargon"
 - do not interrupt the role play session unless someone is badly off course
 - allow role play to last 10-15 minutes
 - trainer should take thorough notes during the session as he/she observes the role play
 - each claim rep should write one comment on each of the 9 steps. Specific phrases used by the claim rep should be captured
- After the role play session is over, the trainer should facilitate a discussion of elements of the contact that went well and those that may require improvement. Consider having players repeat all or portions of the case
- Continue conducting the role plays, with each claim rep taking turns playing and claimant and the claim rep. Direct claim reps to develop one of the role plays into a face-to-face meeting with the claimant

Action (after the role plays):

- Review overall phrases and reinforce positive actions
- Ask the group if there are any questions about the process
- Schedule role play follow-up training with all participants approx. 10-14 days after implementation begins

The Role Play Exercise is Complete When

- every claim rep has demonstrated effective use of the 9 step process
- every claim rep has practiced a face-to-face meeting in role play
- every claim rep has acted in the claim rep role at least twice
- there are no remaining questions about the general processes
- follow-up training has been scheduled

ROLE PLAY ANALYSIS—UNREPRESENTED SEGMENT

Note: The following key points should help guide the role play feedback sessions. Make sure each one is discussed.

Case 1 and Case 2:

- establish initial empathy, discuss injury first
- Pledge
- offer to call claimant's carrier to set up first party claim for medical bills
- suggest rental of comparable vehicle
- BI settlement discussion
- attorney economics discussion

Case 3:

- good candidate for face-to-face
- consider PLA

Case 4:

- liability decision—should we agree to pay all of claimant's damages?

Case 5:

- liability decision—comparative call or denial?
- quick liability decision—if there are no avenues of investigation, decision should be made and communicated to the claimant promptly

ROLE PLAY ANALYSIS—UNREPRESENTED UM

Note: The following key points should help guide the role play feedback sessions. Make sure each one is discussed.

Case 1:

- establish initial empathy, discuss injury first
- Pledge
- explain UM policy benefits
- BI settlement discussion
- attorney economics discussion

Case 2:

- liability decision—should we agree to pay all of the insured's damages?
- explain UM policy benefits
- BI settlement discussion
- attorney economics discussion

Case 3:

- liability decision—what needs to be done before liability can be confirmed?

Case 4:

- role play centers around discussion with at-fault uninsured motorist
- negotiate liability percentage and attempt to get commitment to pay from claimant

CONFIDENTIAL

Evaluation Training

JULY, 1995

**Property of Allstate Insurance.
Not for distribution to any third party.**

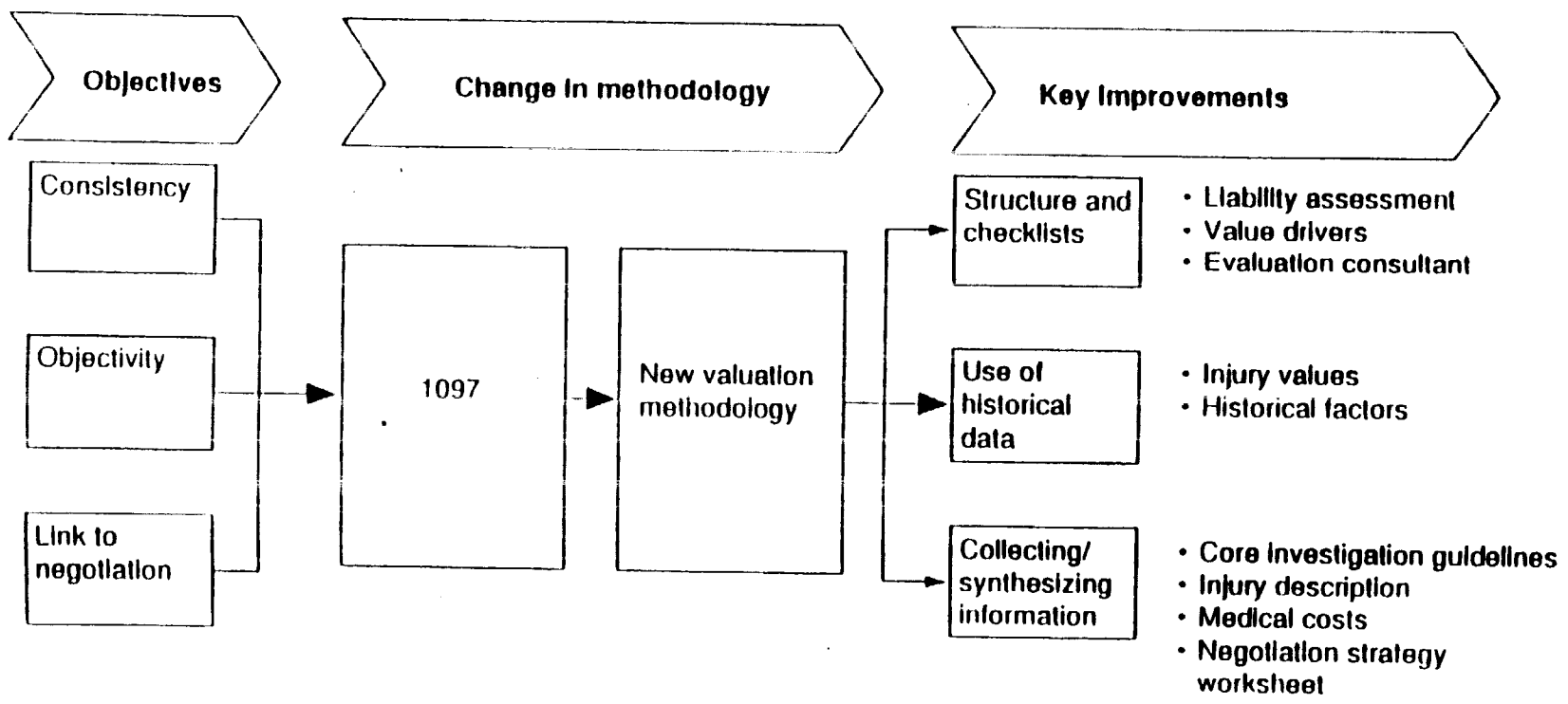
Overview – Opportunity. The new evaluation approaches were developed as a result of the large opportunity that was found in that process step during the closed file survey.

THE EVALUATION STORY

- 26% of total opportunity lies in the evaluation process step
- Opportunity comes from evaluation of **general damages**
- **Represented cases with subjective injuries have the largest opportunity**
- Claim reps value similar cases very differently
- Noninjury factors (e.g., attorney presence, venue, cost of litigation, etc.) are used frequently and inconsistently
- A second look drives lower opportunity

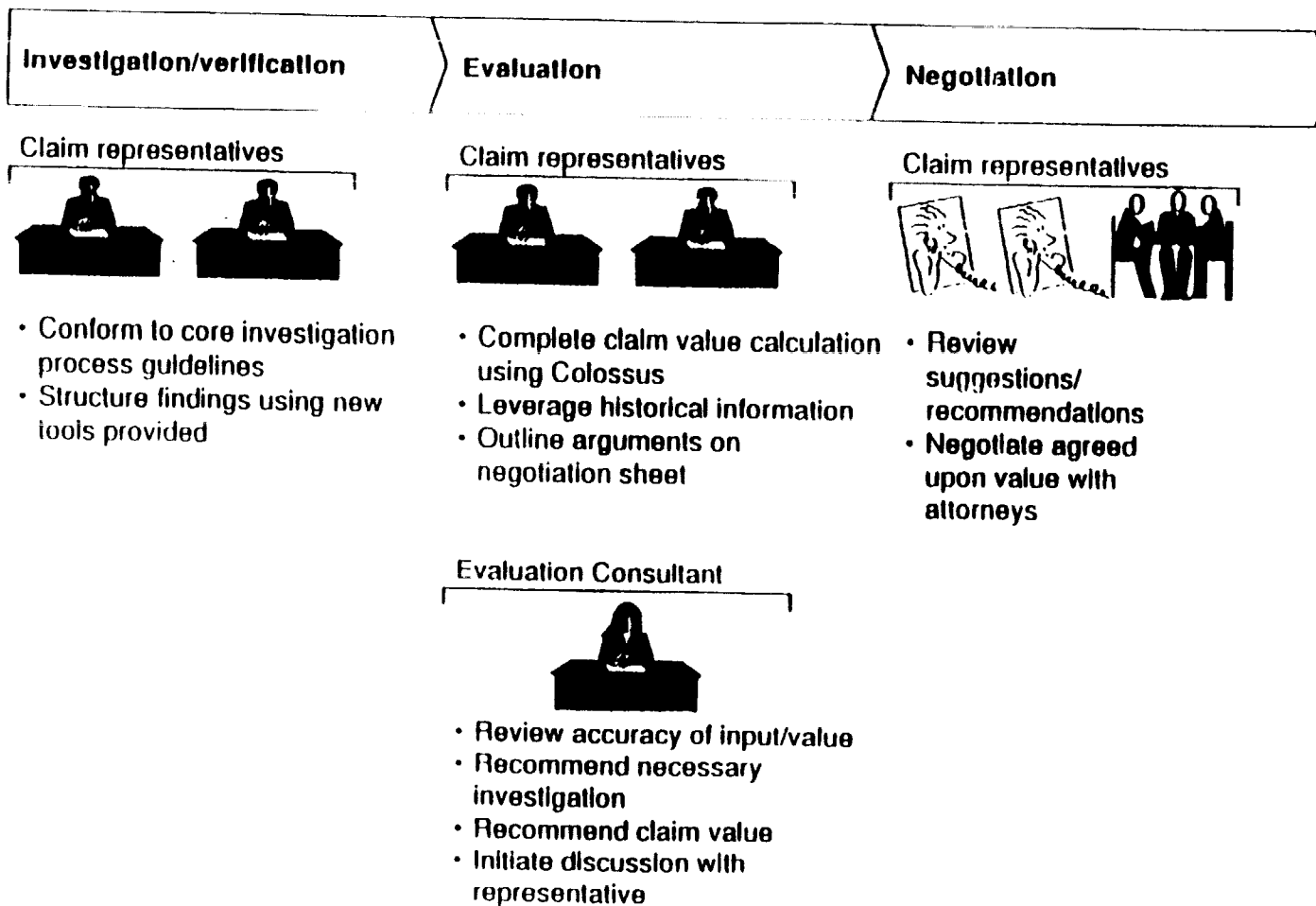
Overview - Objectives. To meet the objectives for improving evaluation, a more thorough and structured approach has been developed.

STRENGTHENING EVALUATION



Overview- Role of Evaluation Consultants. The evaluation idea employs new tools and an Evaluation Consultant to enhance not only the evaluation process, but also the investigation that precedes it and the negotiation that ensues.

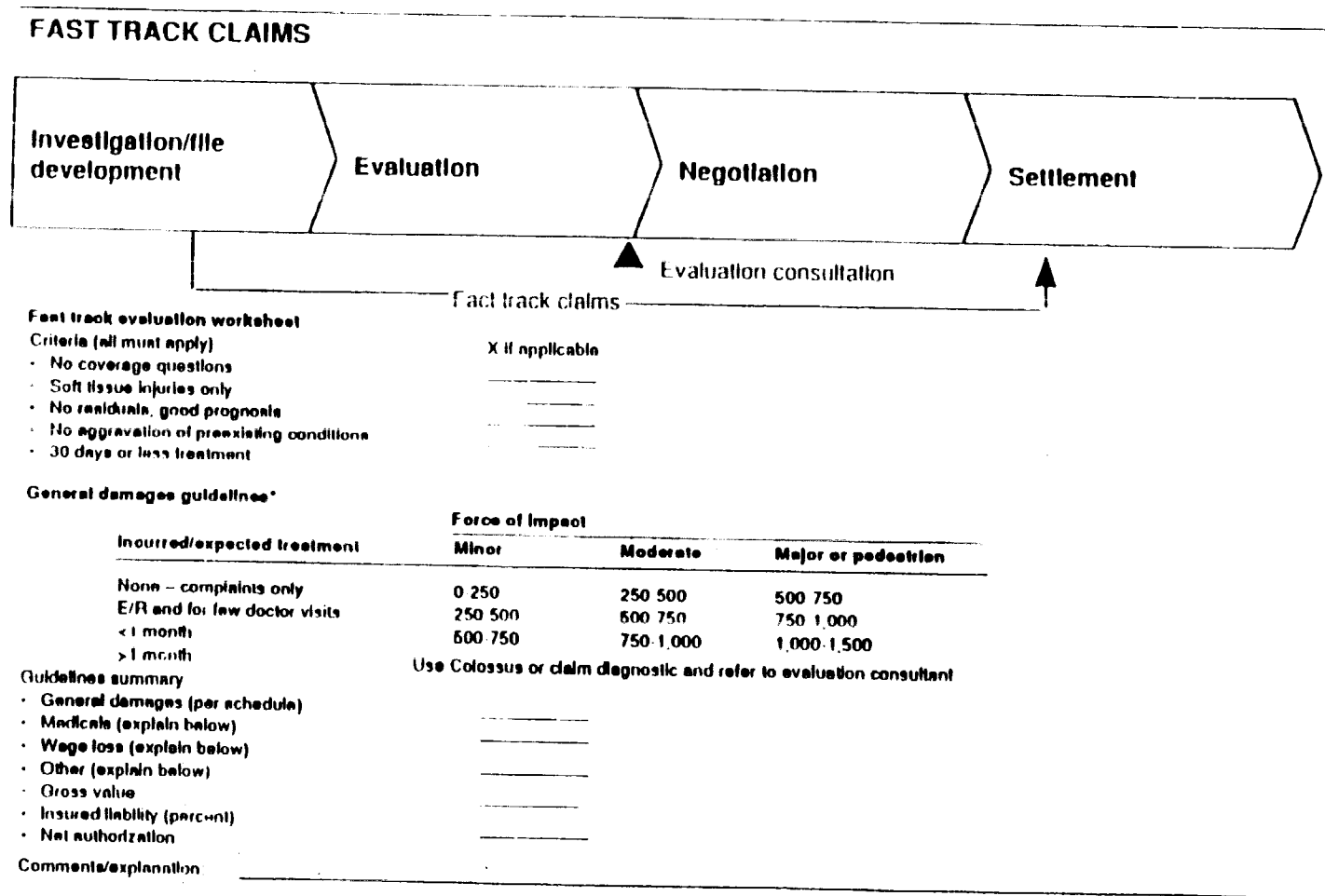
DESCRIPTION OF EVALUATION IDEA



Overview – Value Calculation Aids. Several value calculation methodologies have been developed to account for different claims segments.

VALUATION TECHNIQUES			
Claims	Value calculation aid	File development goal	Role of evaluation consultant
Objective injuries and more complex subjective injuries	Colossus	<ul style="list-style-type: none"> • Appropriate thorough investigation for consistent fair settlement 	<ul style="list-style-type: none"> • Support negotiation strategy development • Review investigation practices • Verify consistent approach to value drivers
Soft-tissue injuries meeting the following criteria unrepresented <ul style="list-style-type: none"> • No coverage questions • No residuals, good prognosis • No aggravation of preexisting conditions • 30 days or less treatment 	Fast Track	<ul style="list-style-type: none"> • Minimal necessary investigation to settle quickly 	<ul style="list-style-type: none"> • None
MIST cases meeting following criteria <ul style="list-style-type: none"> • PD less than \$1,000 (or minor impact evidence) • Represented 	Colossus	<ul style="list-style-type: none"> • Necessary investigation to defend settlement or potential litigation 	<ul style="list-style-type: none"> • Verify appropriate MIST adjustment
Policy limits	Abbreviated Colossus	<ul style="list-style-type: none"> • Complete only necessary investigation and documentation for serious injuries with low policy limits 	<ul style="list-style-type: none"> • Verify limits value
Likely fraudulent claims	SIU	<ul style="list-style-type: none"> • Document inconsistencies to permit SIU to follow up 	<ul style="list-style-type: none"> • None

Overview - Fast Track. Some basic claims naturally require no consultation with the evaluation consultant.



* Please note: Individual cases may require different amounts based on unique circumstances

FAST TRACK EVALUATION WORKSHEET

Claim number: _____
 Desk location: _____
 Coverage/limits: _____

Claimant name: _____
 Item/claimant number: _____

- | | |
|--------------------------------------------|-----------------|
| Criteria (all must apply) | X if applicable |
| • No coverage questions | _____ |
| • Soft tissue injuries only | _____ |
| • No residuals, good prognosis | _____ |
| • No aggravation of preexisting conditions | _____ |
| • Treatment for less than 30 days | _____ |

General damages guidelines*

Incurred/expected treatment	Force of Impact		
	Minor	Moderate	Major or pedestrian
None – complaints only	0-250	250-500	500-750
E/R and for few doctor visits	250-500	500-750	750-1,000
<1 month	500-750	750-1,000	1,000-1,500
>1 month			

Use Colossus or claim diagnostic and refer to evaluation consultant

Guidelines summary

- General damages (per schedule) _____
- Medicals (explain below) _____
- Wage loss (explain below) _____
- Other (explain below) _____
- Gross value _____
- Insured liability (percent) _____
- Net authorization _____

Comments/explanation: _____

Authorized by: _____ Date: _____

* Please note: Individual cases may require different amounts based on unique circumstances

Colossus has been customized to include a structured approach to liability assessment.

LIABILITY ASSESSMENT WORKSHEET

- Designs a thorough review of all relevant factors of investigation to liability determination
- Claims representative should assess the impact of each factor on the insured's liability as favorable, none, or unfavorable
- Apply the tort laws of your state to make overall judgment of liability based on assessment of individual factors

Additional factors impacting the value of the claim are also incorporated into Colossus.

VALUE DRIVER ASSESSMENT WORKSHEET

- Assists claim representatives by structuring assessment of factors important in determining the value of a claim not otherwise considered by Colossus
- These additional factors permit some adjustment of the value calculated by Colossus based on the individual facts of the claim
- Any unique facts of the claim should be considered and documented

Evaluation of MIST cases involves special attention to Allstate enhancements of Colossus.

MIST EVALUATION OVERVIEW

- All information regarding claim liability and damage facts will be input into the Colossus system
- Liability assessment and value drivers are especially important in determining an appropriate settlement
- Colossus will return a predicted settlement value assuming injury facts are credible
- Based on the value driver inputs and claim representative judgement, an adjustment should be made to Colossus in the "other offsets" field in order to arrive at a settlement value in the base value range for local MIST cases

The Negotiation Strategy Worksheet serves as a tool to prepare for negotiation discussions.

NEGOTIATION STRATEGY WORKSHEET

- Structures assessment of our negotiating position
- Develops strong arguments for our positions
- Anticipates claimant and attorney positions
- Prompts counterarguments to defend our position

NEGOTIATION STRATEGY WORKSHEET

Claim no. _____ Item claimant _____ Name of claimant _____

Attorney name _____ Attorney phone no. _____ Insd liability _____ Claimant liability _____

<i>Arguments In order of effectiveness</i>	Our position	Their position	Our arguments to counter their position
Liability 1			
2			
3			
Damages 1			
2			
3			
OOPs (medical, wages, other)			

The trial verdict results serve as an additional reference for claims representatives in negotiating claims and determining appropriate settlement values.

TRIAL RESULTS

- Based on a data gathered for this region for specific injuries
- Purchased from Jury Verdict Research
- Include compiled settlements of various insurance companies
- Provide baseline for understanding likely outcomes from trial

Liability and Damage checklists permit verification of appropriate investigation practice.

LIABILITY AND DAMAGE INVESTIGATION TOOLS MATRICES

- Provide template of necessary investigation steps based on case situation
- Determines whether investigation step is required, recommended, optional, and not required
- Model provided may be modified by local management

LIABILITY INVESTIGATION TOOLS MATRIX

001012 08/10/11

- Required
- ◐ Recommended
- Optional
- X Not required

Liability category	Insured/ claimant vehicle photo/PD estimates	Police report	Scene photo	Reconstruc- tion expert	Witness canvass	Witness statement	Insured statement	Passenger statement	Claimant statement
1. Clear liability (facts not in dispute)	◐	X	X	X	X	X	X	X	X
2. Rear ended – with potential comparative, i.e., sudden stop, multiple vehicles or impacts	◐	◐	X	X	X	●	●	○	○
3. Intersection/ controlled	◐	◐	○	○	○	●	●	○	◐
4. Intersection/ uncontrolled obstructed	◐	◐	◐	○	○	●	●	○	◐
5. Single car	◐	○	X	○	X	X	●	○	X
6. Pedestrian	◐	●	○	○	○	●	◐	○	◐
7. Hit and run	◐	●	○	○	○	●	●	◐	X
8. S.I.U. profile	Refer to S.I.U								

Note: For Fast Track claims, Fast Track requirements supercede matrix requirements

DAMAGE INVESTIGATION TOOLS MATRIX

Unrepresented Segment

- Required
- ◐ Recommended
- Optional
- X Not required

Injury	Impact force	Prior medical history	Claimant carrier contact	Peer records review	IME	Surveillance	Medical management (MBRS)	Vehicle photo	Bio-mechanical	Index bureau	Claimant statement	Insured statement or interview	Police report	Employment/wage verification	Medical/wage authorization
Subjective	Minor	○	◐	○	○	○	◐	●	○	●	○	○	◐	◐	○
	Major	○	◐	○	○	○	◐	◐	X	●	○	X	○	◐	○
Objective: Fracture, Laceration, etc.	All	X	◐	X	X	X	◐	◐	X	●	○	X	○	◐	○
Objective: questionable causation	Minor	●	◐	○	○	○	◐	●	◐	●	◐	●	●	◐	●
	Major	●	◐	○	○	○	◐	●	○	●	◐	◐	●	◐	●

Note: For Fast Track claims, Fast Track requirements supercede matrix requirements

DAMAGE VERIFICATION GUIDELINES

Represented settle segment – Tort

- Required
- ◐ Recommended
- Optional
- X Not required

Injury	Impact force	Medical history	Claimant carrier contact	Peer records review	IME	Surveillance	Medical management (MBRS)	Vehicle photo	Bio-mechanical	Index bureau	Claimant statement	Insured statement or interview	Police report	Employment/wage verification
Subjective	Minor	◐	◐	○	○	◐	●	●	◐	●	●	●	●	
	Major	○	◐	○	○	○	●	○	X	●	◐	◐	◐	◐
Objective: Fracture, Laceration, etc	All	○	◐	○	○	○	●	○	X	●	○	○	◐	◐
Objective: questionable causation	All	●	●	●	◐	○	●	●	○	●	●	●	●	◐

Note: For Fast Track claims, Fast Track requirements supercede matrix requirements

DEFINITION OF TERMS



Required

The tool must be used and the results recorded in the file before a final decision on liability can be made. Under special circumstances the tool may not have to be used, but we believe the exceptions will be rare and should be approved by a manager



Recommended

Under common circumstances the tool will have to be used to determine liability for the case. If the claim representative chooses not to use the tool, the diary must include clear documentation as to why a recommended tool was not being used on the file



Optional

Under common circumstances the tool will not be necessary to make the correct liability decision. This is not to imply that the tool would not be of used, only that a decision should be able to be made without going to this extent



Not required

Only under exceptional circumstances should a claim representative feel it is necessary to utilize these tools. The claim representative should review the liability category they have placed the file in before proceeding with investigation

TOOL: Injury Evaluation Worksheet

PURPOSE: To meet the objectives for improving evaluations on those cases not qualifying for use of the Colossus tool, a more thorough and structured 1097 has been developed.

WHO: Claim representatives preparing for negotiations of BI, CPL and UM cases.

WHEN: Required on all cases where the use of the Fast Track form or Colossus system is not appropriate.

- Severe brain trauma cases
- Death
- Severe spinal cord trauma cases
- Dental trauma (excluding TMJ)
- Disfigurement

Available as a substitute for Colossus in circumstances where the mainframe is "down" for more than 24 hours.

Available as a substitute for Colossus in "out of Region" cases.

INSTRUCTIONS:

- Complete all sections of the 1097 which are relevant to the case being evaluated.
- Information completed on the CDS screens is not required to be duplicated.

INJURY EVALUATION WORKSHEET

CLAIM #/DESK LOCATION _____ DATE _____

COVERAGE

Insured _____ Policy Type _____ Coverage Involved/Limits _____
 Excess/Coinsurance/Limits _____ Contribution Carrier/Limits _____

LIABILITY

Date of Loss _____ Loss Facts _____

LIABILITY ASSESSMENT SUMMARY

Factors	Insureds Liability			Comment
	Decrease	No effect	Increase	
Impact point on cars				
Scene pictures				
Traffic controls				
Witnesses, testimony				
Content of police report				
Alcohol/drugs involved				
Age of driver				
Aggravated liability				
Inconsistent statements				
Credibility of insured vs. claimants				
Contributing Factors, specify:				

Amount of PD _____				

Claimants Liability (A) % Insureds Liability %
 Comments: _____

CLAIMANT INFORMATION

Claimant Status (Circle one) Driver Passenger Pedestrian CPL Other _____
 Name _____ Clmt. # _____ Age _____
 Pltf. Attorney _____ Def. Attorney _____
 In Suit (Y/N) _____
 Suit Segmentation Try _____
 Liability _____
 Damages _____
 ADR _____
 Settle _____
 Current Demand: _____

DAMAGE ASSESSMENT SUMMARY

Factors	Impact on value			Comment
	Decrease	No effect	Increase	
Facts:				
Witnesses description of injury				
Seatbelt used				
Credibility:				
Claimant in ambulance				
Prior injuries to claimant				
Subsequent injuries				
Timing of medicals				
Inconsistent statements				
Claim history				
Treatment:				
Provider match with diagnosis				
Treatment match with diagnosis				
Damages:				
Impact on future ability to work				
Loss of enjoyment				
Our interpretation of MRIs				
Their interpretation of MRIs				
Results from other diagnostic tools				
Our Doctor's physicals/prognosis				
Their Doctor's physicals/prognosis				
Permanency				
Restraints or cast used				
Age specific injury complications				
Occupation specific injury comp.				
Probability of scar revisions				
Legal Considerations:				
Wrongful death statute				

MEDICAL SPECIALS

Provider	Dates of Service	# of Visits	Billed Amt.	Diag. Amt.	R&C Amt.
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
	Total:	_____	\$ _____	\$ _____	\$ _____

(If applicable) No-Fault Threshold Met? (Y/N) _____ How Pierced? _____

WAGE LOSS

Employer _____ Occupation _____

Dates of Verified Absence _____ Disability Verified? _____ Amt. of Wage Loss _____

NEGOTIATION STRATEGY

Arguments in order of effectiveness	Our Position	Their Allegation	Our arguments to counter their allegation
Liability			
Damages			

AUTHORIZATION REQUEST

AMOUNT REQUESTED	AUTHORIZATION APPROVAL COMMENTS
Gross Amount \$ _____	_____
Less Permissible Offsets \$ _____	_____
BALANCE AMT. \$ _____	_____
Less Cmts. Comparative Neg (if appl) OF _____% X \$ _____ = \$ _____ (Balance Amt.)	_____
NET AMOUNT \$ _____	_____
LESS CONTRIBUTION \$ _____	_____
AMOUNT REQUESTED \$ _____	Authority Granted - \$ _____
Current Reserve \$ _____	Signed - _____ Date - _____
Signed - _____ Date - _____	Adjust Reserve to _____

EVALUATION CONSULTANT COMMENTS

Date evaluated: _____ Evaluation amount: _____

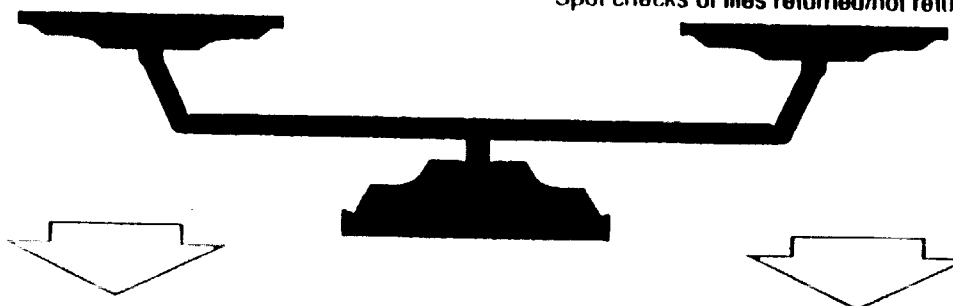
**PLAYING THE ROLE OF EVALUATION CONSULTANT –
SHARING RESPONSIBILITIES WITH THE CLAIM REPRESENTATIVE**

Claim Representative checks

- Mandatory discussion of value
- Calculation of value deviations
- Number of files returned for investigations

Evaluation Consultant checks

- Calculation of value deviations
- Manager oversight to ensure meaningful discussions
- Spot checks of files returned/not returned for investigation



Desired behavior

- Learn from Evaluation Consultant
 - Make rational, consistent evaluations
 - Technical skills
- Take responsibility for claim value
- Substantiate agreed upon value in negotiations

Undesired behavior

- Abdicate responsibility

Desired behavior

- Help develop negotiating strategies
- Make rational consistent evaluations
- Engage in logical discussions of value
- Coach representatives
 - Feedback
 - Explanation
 - Motivation

Undesired behavior

- Domineering style/thought process
- Inflexible

CONFIDENTIAL

MIST Training – Tort States

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

MIST TRAINING AGENDA – MORNING START

		Duration	Time
DAY 1 (A.M.)	Overview	30 minutes	8:00-8:30
	SIU	15 minutes	8:30-8:45
	Investigation	60 minutes	8:45-9:45
	Break	15 minutes	9:45-10:00
	Investigation (continued)	120 minutes	10:00-12:00
	Lunch	60 minutes	12:00-1:00
DAY 1 (P.M.)	Evaluation (overview)	30 minutes	1:00-1:30
	Negotiation	90 minutes	1:30-3:00
	Break	15 minutes	3:00-3:15
	Litigation/Settlement	60 minutes	3:15-4:15
	Measurement (overview)	15 minutes	4:15-4:30
DAY 2	TRAINEE PRESENTATIONS		
	Overview	30 minutes	8:00-8:30
	investigation	90 minutes	8:30-10:00
	Break	15 minutes	10:00-10:15
	Negotiation	30 minutes	10:15-10:45
	Evaluation	15 minutes	10:45-11:00
	Litigation/settlement	15 minutes	11:00-11:15
	Measurement	15 minutes	11:15-11:30
	Q&A	30 minutes	11:30-12:00

MIST TRAINING AGENDA – AFTERNOON START

		Duration	Time
DAY 1 (P.M.)	Overview	30 minutes	1:00-1:30
	SIU	15 minutes	1:30-1:45
	Investigation (Part 1)	60 minutes	1:45-2:45
	Break	15 minutes	2:45-3:00
	Investigation (Part 2)	120 minutes	3:00-5:00
DAY 2 (A.M.)	Evaluation	30 minutes	8:00-8:30
	Negotiation	90 minutes	8:30-10:00
	Break	15 minutes	10:00-10:15
	Litigation/Settlement	60 minutes	10:15-11:15
	Measurement	15 minutes	11:15-11:30

(At the end of the sessions, trainees will be assigned parts of the pack for presentation in the afternoon)

TRAINEE PRESENTATION

		Duration	Time
DAY 2 (P.M.)	Overview	30 minutes	1:00-1:30
	Investigation	60 minutes	1:30-2:30
	Negotiation	30 minutes	2:30-3:00
	Break	15 minutes	3:00-3:15
	Evaluation	15 minutes	3:15-3:30
	Litigation/settlement	15 minutes	3:30-3:45
	Measurement	15 minutes	3:45-4:00
	Q&A	60 minutes	4:00-5:00

This document is a training presentation to assure the successful establishment of a specialized MIST claims handling capability at the MCO level.

OBJECTIVES FOR THIS TRAINING MODULE

- Motivate the need for MIST specialists
- Explain the implementation of MIST specialists
- Provide hands-on experience with new MIST tactics and tools
- Define clear objectives for MIST specialist success

AGENDA

FINDINGS	
TACTICS	TOOLS
MEASUREMENT	

Findings

The MIST idea was developed to address the fact that external pressures and internal measures had caused inflated values of claims with a minimum of evidence.

- ¶ A large share of most MCOs claims are represented sprains and strains from accidents with low or moderate impact.
- ¶ Investigation on these "easy" claims is generally limited probably due to high workload.
- ¶ Many claim representatives "like" these claims, because they require little work, settle without hassle, and can be settled quickly if we "need" closures.
- ¶ Attorneys also like these claims, because they give a steady income flow with a limited effort.
- ¶ Very few of these cases are tried, because on a case-by-case basis, a settlement can be justified when litigation cost are considered.
- ¶ Initially, these claims were handled by "high-volume attorneys." Now, most attorneys take in these cases.

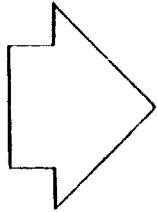
The objective of the MIST segment is to establish a comprehensive solution to a national problem.

OBJECTIVES OF THE MIST SEGMENT

Current situation

Inflation in MIST settlements driven by

- Representation rates
- Internal expense focus (limited investigation)
- Closure pressure
- Fear of losing litigation
- Pressure to use specific settlement methods (for example, ADR)
- Fear of excess judgments



Solution

The solution, therefore, needs to be an enhanced segmentation and end-to-end handling of all Minor Impact Soft Tissue claims

- Strengthening **Investigation** and verification, where appropriate
- More consistent and objective **evaluations**
- Executing sound, well-prepared **negotiation** practices, basing each case on its own merits
- **Litigation** of all "winable" cases where settlement is not reached
- **Settlement** methods tailored to each individual case

Files included. As the name suggests, MIST files are segmented on the basis of property damage and injury type. Once transferred to the MIST unit representative, that representative should handle the file to its conclusion.

FILE SELECTION CRITERIA – MIST SEGMENT DEFINITION

Criteria	Percent of represented receipts	Rationale
PD under \$1,000 (or other evidence of minor impact)	20-25	Low impact allows focus for defense against injury allegation
Soft tissue alleged		Claims with similar characteristics lead to clear settlement strategies
Represented		High impact on loss cost in the short term

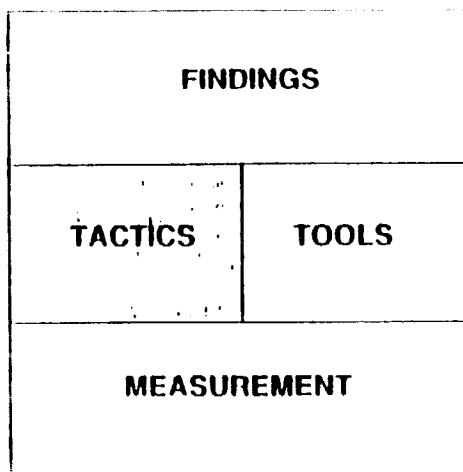
A specific subsegment of MIST files may qualify for transfer to the SIU, based on the new SIU file identification transfer guide. The new transfer guide encompasses many fraud related issues. These issues will be covered in the SIU module.

FILE SELECTION CRITERIA – GENERAL GUIDELINES FOR FILES TRANSFERRED TO SIU

MIST claims

Criteria	Percent of represented receipts	Rationale
<p>PD under \$1,000 (or other evidence of minor impact)</p> <p>Soft tissue Injury</p> <p>Represented</p>	<p>1-3</p>	<p>Statistically more likely to be fraudulent</p>
<p>2 or more unrelated claimants</p>		
<p>Same attorney and medical provider</p>		
<p>Full liability</p>		

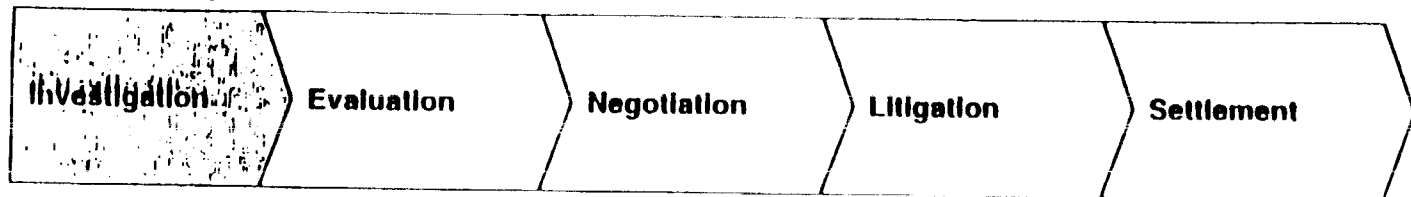
AGENDA



Tactics: Investigation

Successful settlement of minor impact cases is based on solid investigation practices.

KEY ELEMENTS OF MIST STRATEGIES



Strategies

- Identify and transfer fraud files to SIU
- Conduct basic investigation
- Meet with claimant attorneys
- Pursue vigorous investigation in selected cases

Tactics and tools

- Transfer files meeting local SIU criteria
- Apply investigation matrix
- Take 35 mm pictures of all vehicles (drive-in or PRO) according to guide
- Take R/S from insured if worthwhile
- Interview all witnesses
- Review of generic biomechanical research
- Develop attorney/claim rep meeting strategy
- Take R/S from claimant
- Consider settlement options. Discuss CWP or nominal amount with client attorney
- Secure medical and wage authorization to request complete medical/employment records (if CWP or nominal offer is rejected)
- Use vendor database
- Hire biomechanical expert
- Consider accident reconstruction
- Surveillance (e.g., at drive in)
- Driver's license history
- Paper review of medical reports for likelihood of serious injury
- IME
- WC check via Medical Index Bureau

INVESTIGATION GUIDELINES FOR MIST CASES

- Required
- ◐ Recommended, but not required for tort states
- Optional
- X Not required

Injury	Impact force	Prior medical history	Claimant carrier contact	Records review	IME	Surveillance	Medical management (MBRS)	Vehicle photo and PD estimate	Bio-mechanical	Index bureau	Face-to-face statement	Insured recorded statement	Police report	Medical and wage verification	Claimant recorded statement
Settle															
Subjective	Minor	○	◐	○	○	○	●	●	○	●	○	◐	●	●	●
Litigation															
Subjective	Minor	●	●	●	●	◐	●	●	●	●	●	●	●	●	●

GUIDELINES FOR VEHICLE PICTURES FOR MIST CASES

The following instructions should be given to drive-in adjusters, independent vendors, or others with the opportunity to take pictures

- Required for both claimant and insured as soon as possible
- Photos per car as required by staff counsel and local biomechanical experts, with a minimum of 5 of the following suggested views one of which must include license plate
 - Front bumper
 - Front bumper from below
 - Full view of right side
 - Right front side (front fender)
 - Right rear side (1/4 panel)
 - Full view of left side
 - Left front side (front fender)
 - Left rear (1/4 panel)
 - Rear bumper
 - Rear bumper from below
- Photograph preexisting damages
- If there is any quarter deformation on a rear hit, this is not a MIST case
- If insured's damages are substantial, this is not a MIST case
- Include measuring stick in photos
- Shoot at a direct angle (90°/perpendicular to car) on all views
- Request 35mm and negatives with photos whenever possible
- Do not put claim number in picture to avoid jury information unless extra picture taken or tag is on periphery and away from damage
- Do not alter pictures or negatives

TOOL: INSURED DRIVER RECORDED STATEMENT GUIDE

Tool:	Insured Driver Recorded Statement Guide (MIST cases)
Purpose:	<ul style="list-style-type: none"> • Obtain complete information on speed, impact, and claimant damages resulting from the low impact accident to aid in defense • Verify credibility of insured as a witness • Enlist insured's support in defense
Who:	Insured driver
When:	If additional clarification of already gathered loss facts is warranted. After initial conversation, deeper probing may be required to assure witness credibility
Instructions:	Use as recorded statement or face-to-face interview with insured <ul style="list-style-type: none"> • Responses should be documented in diary • Questions should be asked in an open-ended fashion to allow insured to answer in the narrative

- Accident facts**
- Describe briefly what happened (ask insured to diagram loss).
 - What would you estimate was speed of your vehicle as you approached the accident scene, and just before impact?
 - On a scale of 1-10, how would you rank this impact, if 1 is equivalent of one car rolling into another and 10 is a head-on crash on freeway?
 - Does this compare in your opinion to another impact you might have experienced such as:
 - Hitting an unexpected speed bump
 - Bumping into a parking curb
 - The jerk from an amusement park ride?
 - Did the other vehicle move (forward or sideways) on the roadway due to the impact? How far did it move both cars?
 - Did your seatbelt engage, hold you tight in your seat due to the impact?
- Claimant information**
- Were you aware of the occupants in the other vehicle?
 - Could you tell whether the occupants of the other vehicle were wearing their seatbelts?
 - What were your observations about the claimant's physical condition at the scene?
 - Was injury apparent?
 - Was there evidence that the claimant or any of his occupants were intoxicated or that alcohol or drugs had been used?
 - During your conversation with other driver, did they make any extraneous remarks worth noting?
 - Fault
 - Prior accidents
 - Injures
- Damage**
- Did you observe any old damage on the other vehicle?
 - What damage did the collision cause?

TOOL: GUIDELINES FOR BIOMECHANICAL INVESTIGATION

- Purpose:** To help the Claim Representative present a comprehensive damage defense
- Who:** Experts who analyze and correlate impact force with physical injuries
- When:** Guide provides examples for when and to what degree an expert written analysis or a specialized biomechanical evaluation is warranted. Levels of involvement vary from \$150-500 per hour for photo analysis or consultation to major reports or testimony
- Instructions:** Review above examples and investigation matrix for appropriate application

GUIDELINES FOR BIOMECHANICAL INVESTIGATION**Use an expert written analysis or internal resource material**

- Whenever we need to counter plaintiff provider opinion on causation of injury
- Whenever injuries and treatment are significant but inconsistent with type of impact
- Whenever claim is to be denied on damages
- Whenever attorney profile indicates strategy of mandatory arbitration
- Whenever we decide to use voluntary arbitration or mediation
- Whenever we want to strengthen favorable IME findings report

Consider a Biomech specialist

- Whenever we target a case for trial
- Whenever attorney profile indicates he will litigate and try
- Whenever damage photos and/or expert report are insufficient to support our case at trial
- Whenever injuries and treatment are significant but inconsistent with type of impact
- Whenever we want to strengthen favorable IME findings
- When nominal offer or denial is declined

COMPARISON OF DAMAGES, SPEED, AND G-FORCE

Damages	Front car type	Weight	Rear car type	Weight	Estimated speed	Calculated G-force, people
Bumper cover replaced, luggage lid aligned	87 Honda Accord	2,316	80 Mercur Bobcat	2,445	5 mph	0.6
Bumper scratch, cover replaced	85 Audi 5000s	2,704	90 Lexus LS400	3,759	2 mph	0.2
Bumper scratch	92 Toyota Previa	3,455	79 Chevy Caprice	3,675	5 mph	0.6
Bumper replaced	87 Toyota Tercel	2,060	91 Toyota Camry	2,735	5 mph	0.8
Bumper replaced	93 Ford Aerostar	3,296	91 Honda Civic	2,127	5 mph	0.4
Bumper and rear panel replaced, trunk lid aligned	85 Honda Accord	2,277	92 Toyota Previa	3,455	2.5 mph	1.3

Source: Minorpack

EXAMPLES FROM BIOMEDICAL RESEARCH

Activity	G-force
Jerking force felt in the neck when at the end stroke of a rowing machine	0.2
Stepping off the height of a skateboard barefooted on to a concrete floor	0.2
Driving over a 4 inch speed bump at a speed of 15 mph	0.4
Bumping into someone while walking, causing a mildly altered gait	0.4
Bumping into a parking curb at 4 mph	0.6
Rolling into a curb	0.6
Firing a 12 gauge shotgun	0.7
Driving around a corner at a maximum rate	0.7
Jerking felt when on roller skates and being pulled by a bicycle	0.8
Bumping into someone while walking, and being pushed to one side momentarily	0.8
Walk at a walking speed of 5 mph with both arms in the locked position into a wall	0.9
Driving at 15 mph with brakes locked	1.0
Standing on two phone books (6 inches) and in bare feet stepping down onto half inch pile carpet	1.3
Stepping off a 3 inch curb with rigid legs, allowing for a 2 inch contraction of the whole body	1.5
Sitting down suddenly in a hard wooden chair which rests on a concrete floor	1.5

Source: Minor pack

TOOL: GUIDELINES FOR ATTORNEY/REP MEETING

- Purpose:** To send a message to attorneys of our proactive defense stance on MIST cases. As such, this strategy helps the claim rep prepare for an early discussion with the attorney on the merits of the file. It forces the claimant and attorney to think about the obstacles they must overcome to recover a significant settlement or the benefits of a smaller "walkaway" settlement
- Who:** Claim rep/attorney/client
- When:** Upon receipt of the MIST file
- Instructions:**
1. Call attorney for appointment
 2. Complete the following prior to meeting:
 - Damage photos
 - Review of generic biomechanical analysis
 - Review information from index bureau
 - Review of reasonable and necessary treatment for injuries, if available
 - Favorable witness statements
 - Review credibility issues
 - Review jury trial outcomes
 - Review trial economics assessment
 3. Take recorder and sufficient tapes/use interpreter with foreign claimants
 4. Secure claimant R/S and evaluate claimant witness potential
 5. Make nominal offer if warranted
 6. Deny claim, if warranted

TOOL: CLAIMANT DRIVER/PASSENGER RECORDED STATEMENT GUIDELINE 003032-115.1C4

- Purpose:**
- To get complete information on the loss facts and the injuries alleged in order to aid in defense.
 - Also allows claim rep to evaluate claimant as a witness
 - Determine appropriate settlement strategy
- Who:** Claimant driver, passengers
- When:**
- Required on all MIST files as soon as possible when file arrives
- Instructions:**
- Statement should be taken in the office of the claimant attorney
 - Questions should be asked in an open-ended manner to allow claimant to answer claimant to answer in the narrative
 - Verify claimant ID with a driver's license or picture ID

RECORDED STATEMENT - CLAIMANT

This is _____ speaking from _____ (city), _____ (state). I am recording a conversation with _____ (name) regarding an auto accident they were involved in on _____ (date) at approximately _____ (time) in _____ (city), _____ (state). Also present is _____ (name), attorney for Mr./Mrs. _____.

Today's date is _____ (date) and the time is approximately _____ (time). Mr./Mrs. _____ do you understand that I am recording the conversation? And is it with your permission and approval?

ID

Please state your full name, and spell your last name. Your age, address, and phone number (s). State your occupation, place of employment, work schedule, salary, and duty description.

Do you have a valid driver's license? # _____ Do you wear corrective lenses? Were you wearing them at the time?

VEHICLE ID

What is the year and make of the vehicle you were driving? Color? License number? Legal and registered owner? (Also make of other driver's vehicle) Was there any previous damage to your vehicle (especially if older vehicles)?

SCENE

What was the weather condition on the date of the accident? Clear? Road condition? Did you have your headlights on? Traffic condition? Describe the scene, number of lanes, direction traffic controls, type of area (residential or business area). Where were you coming from and going to?

LOSS FACTS

Direction, speed, lane of travel, distance when you first saw the other vehicle, the estimated speed, direction lane. Color of signal? Any skid marks left by either vehicle? Length of skids? Point of impact on the street and to the cars? Evasive action? Sudden stop - why?

After the impact, what did you do?

Were the police called? Who called them? Were they any witnesses, names, addresses, phone, statements? Were any citations issued? Arrests? Drug or alcohol involvement?

Were there any visual obstructions?

Any conversation after the accident with other driver? Exchange of names and addresses? Did anyone admit fault?

Any corrective action taken by other vehicle?

Who do you feel is at fault? And why?

PASSENGERS

Number of occupants in your vehicle? Position in vehicle? Name, age, address, phone? Describe them.

INJURIES

Was anyone injured? Describe injuries. Describe how injuries occurred.

Did you see the accident coming?

Did you brace for impact? How? Position of body and head before impact. Movement of body and head at impact?

Did any body part strike interior of vehicle? Get specifics. Describe the headrests in the vehicle.

Did any flying object in vehicle strike body? Did you sustain any lacerations? Bruises? Were you bleeding?

Did you lose consciousness after impact? Why? How long?

Were any passengers injured? (If so, ask same series of injury questions.)

RECORDED STATEMENT – SIDE TWO

IMPACT

Did your head hit the headrest?
 What was the position of your head when it hit the headrest?
 How far (forward, backward) did your head move at impact?
 Speed of vehicle at impact?
 Does vehicle have seatbelts? Shoulder harness? Were they in use? Did the seatbelt lock? Did it fail?
 Did seat move forward at impact?
 What was vehicle movement subsequent to impact? Distance traveled after impact?
 Does vehicle have air bag? Did it deploy?
 Does vehicle have impact bumper shocks?
 On a scale of 1 to 10, how would you rank this impact if 1 is equivalent to one car rolling into another and 10 is a head-on crash on the freeway?
 Did this impact resemble an experience you have had driving or otherwise? (For example, bumping into a parking curb; bumping into someone in a crowd, or landing on an amusement park ride).

PRIORS

Any prior injuries from accidents of any type? What? When?
 Any prior chiro/acupuncture/PT treatment for maintenance?
 Over what period of time? Frequency? Diagnosis?

PAIN AT SCENE

When was onset of pain? Where was pain? Give comprehensive description.
 Ambulance requested at scene? If no, why not?
 Any seatbelt bruises? Describe.
 Did you drive vehicle from scene?
 Did you continue to same destination?

TREATMENT

Who are you seeing for this injury?
 Type of doctor? Type of treatment? Describe both in detail.
 When were you first seen?
 Who referred you and when? Have you ever seen this doctor before for any reason?
 Who administers the treatment, and how long does it last?
 Do you use a sign-in sheet?
 Who is paying for TX? Do you know how much the bill is?
 Who is your regular family doctor? (GYN, Pediatrician)
 Are you work disabled? Period of time? Describe restrictions.
 Is tx helping you to return to pre-acc status?
 Any permanency expected?
 If late treatment, explain why.
 Have injuries changed lifestyle? Sports, aerobics, church, amusement, shopping?
 Is there anything you can't do today that you were able to do before this accident?
 What things are you still able to do for yourself?

CLOSING

Have you reported this to your insurance company? (rule out duplicate property damage claims)

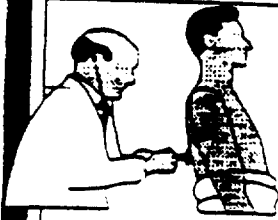
Mr./Ms. _____, do you wish to add anything?

Did you understand all of my questions? Were your answers true and correct to the best of your knowledge (under the penalty of perjury)? Please state your full name again.

Do I have your permission to turn off the recorder?

TOOL: VENDOR CATALOG

- Purpose:** To provide a reference tool for claim reps seeking outside vendors to complete needed items of investigation
- Who:** Includes biochemical engineers, interpreters, investigators, medical records review services, photographers and ancient reconstructionist
- When:** At any time during the development of the file, but primarily when arbitration or trial is anticipated
- Instructions:** Refer to your local resource



-EXAMPLE-

EXPERT CONSULTANT REFERENCE CATALOG



The enclosed information is confidential and proprietary information which is the exclusive property of Allstate and will not be disclosed to third parties without having obtained written permission from Allstate.



Table of Contents

	First Page
Accident Reconstruction	1
Accountant	12
Appraiser	14
Architect	14
Charts, Maps, Illustrations, Etc.	15
Chiropractor	17
Construction	19
Dentist	21
Document and Handwriting Analysis	24
Economist	25
Elevators and Escalators	26
Engineer/Electrical	26
Engineer/General	26
Engineer/Geotechnical	27
Engineer/Mechanical	27
Engineer/Soils	28
Engineering Consultant	28
Expert Referral Services	29
Fire, Cause and Origin	30
Firearms	31
Flooring	31
Hand and Tendon Surgery	32
Horticulture	33

Table of Contents

	First Page
Human Factors	33
Insurance Specialist	33
Internal Medicine	34
Internal Medicine/Cardiology	35
Internal Medicine/Emergency Medicine	36
Internal Medicine/Gastroenterology	37
Internal Medicine/Infectious Disease	37
Internal Medicine/Nephrology	37
Internal Medicine/Pediatric Cardiology	37
Internal Medicine/Pulmonary	37
Internal Medicine/Rheumatology	38
Internal Medicine/Toxicology	38
Litigation Consultants	38
Metallurgy	39
Neurology	39
Neurology/Pediatric	44
Neuropsychiatrist	44
Neurosurgeon	46
Obstetrics/Gynecology	50
Ophthalmology	50
Orthopedist	53
Otolaryngology	68
Pathology	70
Photography	71
Physical Medicine/Rehabilitation	72

Table of Contents

	First Page
Physical Therapist	72
Plastic Surgeon	78
Psychiatrist	81
Psychologist	86
Radiologist	88
Rehabilitation Specialist	90
Rheumatology	91
Safety Engineer	91
Scuba and Diving	92
Security Management	92
Surgeon/General	93
Surgeon/Vascular	93
Surveyor	94
Toxicology	95
Traffic Engineer	96
Weather Analysis/Reconstruction	96

Specialty: Accident Reconstruction

Survey Response?

Referral Codes:

Bd. Certified? Bd. Eligible?

Published? N Testified? Y

Tax Id.# [redacted] Incorp? Y

Phone [redacted] Fax

San Diego Ca 92103

Special Interests: Good for motorcycle and bicycle cases also.

Prof. Qualifications: Past defect analysis engineer for Ford and GM

Comments: Good general background including Biomech. training

Fees: \$195/hr

Specialty: Accident Reconstruction

Survey Response?

Referral Codes: 059

Bd. Certified? Bd. Eligible?

Published? Testified?

Tax Id.# [redacted] Incorp?

Phone [redacted] Fax

Pasadena Ca 91105

Special Interests: Tire failure specialist

Prof. Qualifications:

Comments:

Fees:

Specialty: Accident Reconstruction

Survey Response?

Referral Codes: .060

Bd. Certified? Bd. Eligible?

Published? Y Testified? Y

Tax Id.# [redacted] Incorp?

Phone [redacted] Fax

Costa Mesa Ca 92628

Special Interests: General reconstruction. Human Factors, Vision

Prof. Qualifications: Ph.D in Physics. 40 years teaching exp.

Comments: 20 years consulting legal. Very qualified.

Fees:

Specialty: Accident Reconstruction

Survey Response?

Referral Codes: .059

Bd. Certified? Bd. Eligible?

Published? Y Testified? Y

Tax Id.# [redacted] Incorp? Y

Phone [redacted] Fax [redacted]

Santa Barbara Ca 93108

Special Interests: Veh. accident recon., Product defect analysis, Fire

Prof. Qualifications: Ph.D. Mech. Eng., Prof. UCSB, Teaches Forensic Acc. Rec.

Comments: Lot's of exp. per CV. Appears most of background is engineer.

Fees: \$175/hr. Testimony \$275/hr

Specialty: Accident Reconstruction

Survey Response?

Referral Codes: .067, .050, .060, .059

Bd. Certified? Bd. Eligible?

Published? Testified?

Tax Id.# [redacted] Incorp?

Phone [redacted] Fax

Newhall Ca 91321

Special Interests:

Prof. Qualifications:

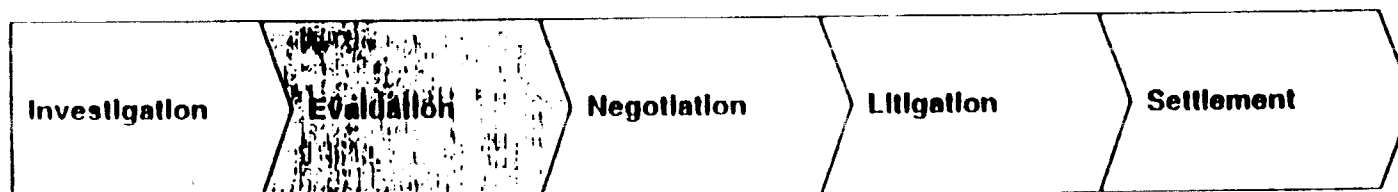
Comments:

Fees:

Tactics: Evaluation

Evaluation of MIST cases relies on consistent use of the new evaluation process and Colossus linking claim facts to a sound negotiation strategy.

KEY ELEMENTS OF MIST STRATEGIES



Strategies

- Consistent evaluation
- Objective evaluation
- Confirm any CWP or nominal settlement evaluation
- Evaluation linked to negotiation

Tactics and tools

- Use evaluation process and Colossus to assess appropriate value
- Compile information gathered in Colossus on attorneys and providers in attorney and provider information sheets
- Assess consistency between diagnosis, alleged pain, and treatment patterns
- Apply MBRS to verify reasonable and customary treatments
- Use verdict summaries as additional reference to value
- Utilize trial assessment worksheet
- Confer with UCM
- Develop negotiation strategy worksheet

TOOL: COLOSSUS VALUE DRIVERS

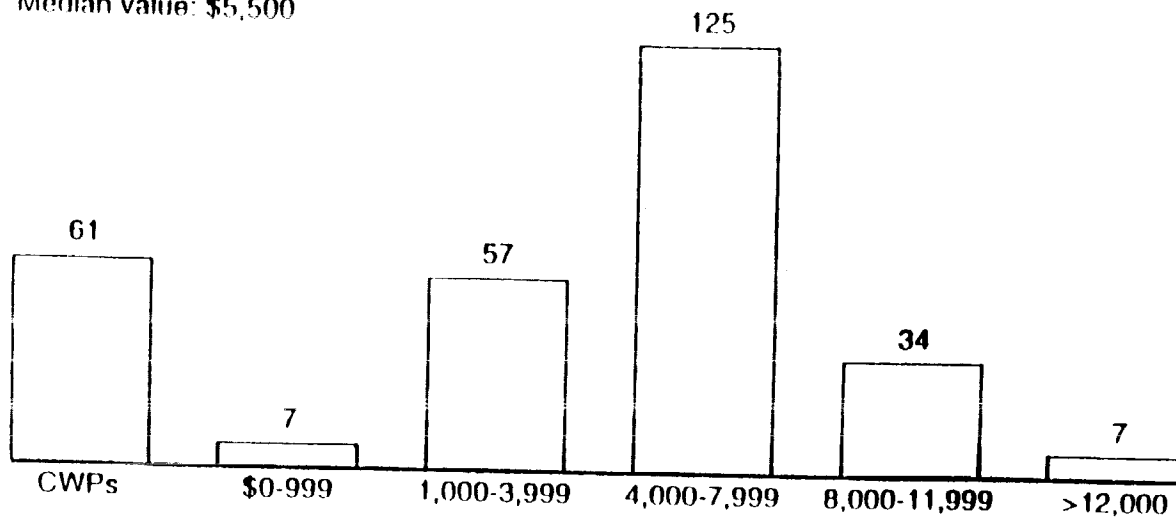
- Purpose:** To assess appropriate settlement value in an objective and consistent manner
- Who:** Evaluates claimant injuries
- When:** MIST files are, by definition, suspected of consisting of no, or minor injury based on impact. If claim representative can get to attorney and client to discuss these suspicions prior to built-up treatments, claims should be denied or settled nominally. If settlement cannot be effected early on, and claimant completes course of treatment and disability, Colossus is used prior to negotiating a settlement with the attorney. In order to settle for an appropriate nominal value in the local target range, Colossus value drivers and claim rep judgment should be applied.
- Instructions:** Colossus training is provided in a separate module. MIST reps should adjust Colossus evaluation for MIST cases based on the merits of each case

EVALUATION RESULTS MIST FILES*

SAMPLE

Range of historical settlements
Number of claims; dollars

Base value: \$1,750
Median value: \$5,500



* MIST defined as soft-tissue injury, PD damage minor or none, attorney represented
Source: Closed file review, October 1994

TOOL: ATTORNEY INFORMATION SHEET

- Purpose:** To develop a profile on the structure of the attorney's law firm, the negotiation style, the typical claim amount, provider relationships and disposition habits
- Who:** Claimant attorney
- When:** To be used in creating the disposition strategy
- Instructions:** As each case is settled this form should be completed and information should be cataloged as a reference tool for others involved in cases with this attorney

ATTORNEY INFORMATION SHEET

Firm _____

KEY ARGUMENT FOCUS

Primary address _____

_____ Facts of case

_____ Dollars

CLAIMANTS ON FILE

TYPE OF OFFICE

PROVIDERS ON FILES

- _____ Franchised
- _____ Moving
- _____ Established
- _____ One-man operation

Provider	Type
_____	_____
_____	_____
_____	_____
_____	_____

STAFFING

TIMING

Key attorneys _____

Length of treatment _____ days

Number of treatments _____

First demand _____ days

Key negotiators/
paralegals _____

OTHER

Example: Disposition type (settled
CWA/CWP before suit, by negotiation,
before trial or by verdict or arbitration)

OFFICE ORGANIZATION

Issue	#/person
# attorneys	_____
# paralegals	_____
# staff	_____
Primary negotiator	_____
Claim contact	_____

DESK LOC OF ADJUSTER COMPLETING THIS FORM

[]

Claim number _____

TOOL: PROVIDER INFORMATION SHEET

- Purpose:** To develop a profile on the structure of the medical providers clinic, typical treatment patterns, billing practices and attorney relationships
- Who:** Claimant providers
- When:** To be used in creating the evaluation strategy
- Instructions:** As each case is settled this form should be completed and information should be cataloged as a reference tool for others involved in cases with this provider

PROVIDER INFORMATION SHEET

Firm _____

Primary address _____

TYPE OF OFFICE

- _____ Franchised
- _____ Moving
- _____ Established
- _____ One-man operation

STAFFING

Key providers _____

Key nurses/
 aides _____

OFFICE ORGANIZATION

Area	Description
# doctors	_____
# nurses	_____
# technicians	_____
Primary caregiver	_____
Bill negotiator	_____
Local diagnostic equipment	_____

DESK LOCATION OF ADJUSTER COMPLETING THIS FORM

[]

Claim number _____

TREATMENT FACTS

- Factor (check all that apply)
- _____ Frequent treatments
 - _____ Diagnose permanency
 - _____ Diagnose work disability
 - _____ Duration
 - _____ Neuro referrals
 - _____ Dollar amount

BILLING PRACTICES

- _____ Timing (weekly, monthly, one shot)
- _____ Office notes kept
- _____ Office notes available on request

TREATMENT

Diagnostic \$ _____

Types of diagnostic _____

Types of treatment _____

Other treatment notes _____

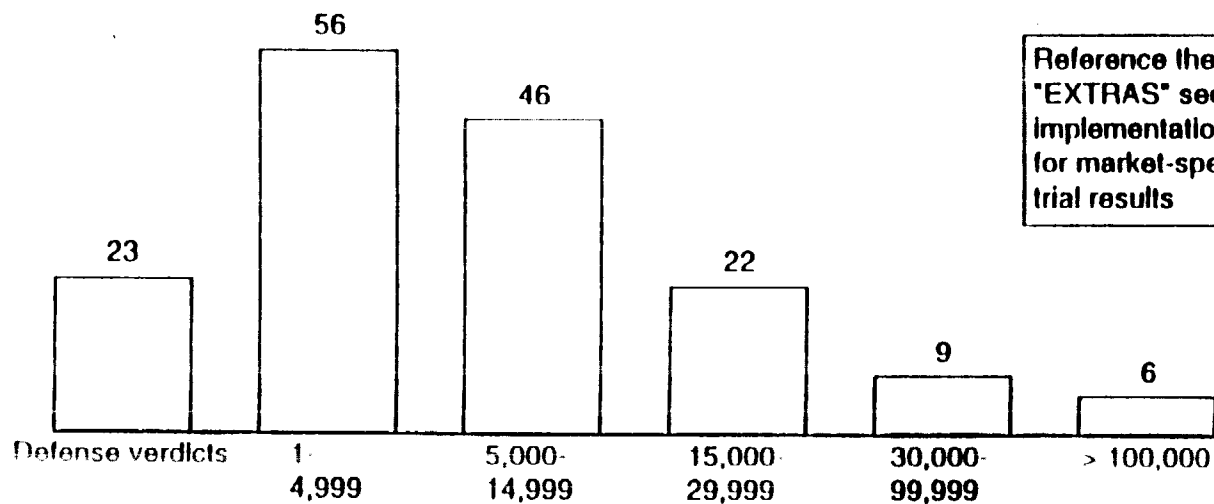
ATTORNEY ON FILE _____

TOOL: SUMMARY OF VERDICT RESULTS

- Purpose:** To assess the verdict potential for various types of injuries
- Who:** Juries in specified jurisdiction
- When:** To be used in determining "winnability" in trial
- Instructions:** Review high- and low-range verdicts in your jurisdiction on soft-tissue injuries; discuss findings with staff counsel and determine if trial is appropriate

TRIAL RESULTS**SAMPLE****Sprains, strains, other soft tissue**

100% = 162 verdicts



Defense verdicts	Verdicts	
14%	50% (median)	\$8,000
	75	15,000
	90	33,000

Source: Jury Verdict Research, 1990-93 verdicts

**MISSING
PAGE**

TRIAL ASSESSMENT WORKSHEET

001012 115 2011

Background

Name: _____

Claim rep: _____

Age: _____

Demand: _____

Policy limits: _____

Last offer: _____

Claimant number: _____

Checklist

A. General background

- 1. Venue: _____
- 2. Plaintiff attorney: _____
- 3. Insured's negligence: _____ %
- 4. Injury type: _____
- 5. Tort threshold: \$ _____
- 6. Cooperation of insured: _____

B. Liability

- 1. Credibility of involved parties
 - a. Defendant
 - b. Plaintiff
 - c. Independent witnesses
 - d. Other: _____
- 2. Availability of material evidence (e.g., police reports, skid marks, point of impact on vehicle)
- 3. Legal issues/liability (e.g., joint or severable liability, assumption of risk)

Impact on defense

	Favorable	Unfavorable
1. Credibility of involved parties	—	—
a. Defendant	—	—
b. Plaintiff	—	—
c. Independent witnesses	—	—
d. Other: _____	—	—
2. Availability of material evidence (e.g., police reports, skid marks, point of impact on vehicle)	—	—
3. Legal issues/liability (e.g., joint or severable liability, assumption of risk)	—	—

TRIAL ASSESSMENT WORKSHEET

	Impact on defense	
	Favorable	Unfavorable
B. Liability (continued)		
4. Aggravated liability factors		
a. Intoxication	-	-
b. Citations	-	-
c. Other: _____	-	-
C. Damages		
1. Credibility of witnesses		
a. Injured party	-	-
b. Treating physicians	-	-
c. Attorney	-	-
d. Other: _____	-	-
2. Credibility of IME witnesses	-	-
3. Blomechanical reports	-	-
4. Medical history	-	-
5. Claim history		
a. Past	-	-
b. Subsequent	-	-
6. Severity of property damage	-	-
7. Treatment		
a. Type	-	-
b. Length	-	-
c. Onset (timing)	-	-
d. Diagnostic tests	-	-
e. Emergency room	-	-
f. Hospitalization	-	-
g. Prognosis	-	-
h. Treating physicians' specialties	-	-

TRIAL ASSESSMENT WORKSHEET

	Impact on defense	
	Favorable	Unfavorable
C. Damages (continued)		
8. Out-of-pocket loss		
a. Medical	-	-
b. Wage loss	-	-
c. Other: _____	-	-
9. Employment considerations		
a. Type	-	-
b. Length of disability	-	-
c. Loss of future earnings capacity	-	-
d. Employer credibility	-	-

Comments/Recommendation:

Decision:

Try/arbitrate:

Settle:

Review date: _____

UCM approval/date: _____

TOOL: NEGOTIATION STRATEGY WORKSHEET

- Purpose:** Develop effective arguments to support evaluation
- Who:** Claim rep/claimant attorney
- When:** To be used at the time of negotiation conference
- Instructions:** Develop arguments on liability, damages and medicals. Then, list the attorneys arguments in these areas. In the final column, list arguments to refute their arguments

NEGOTIATION STRATEGY WORKSHEET

Claim no. _____ Item claimant _____ Name of claimant _____
 Attorney name _____ Attorney phone no. _____ Insd liability _____
 Claimant liability _____

<i>Arguments in order of effectiveness</i>	Our position	Their position	Our arguments to counter their position
Liability			
1			
2			
3			
Damages			
1			
2			
3			
OOPs (medical, wages, other)			

MIST evaluation involves special attention to Allstate enhancements of Colossus.

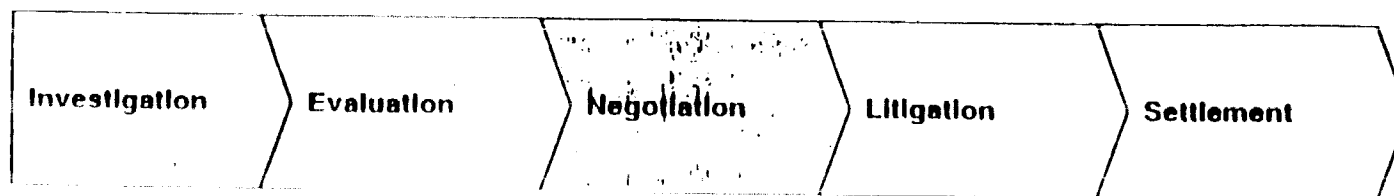
MIST EVALUATION OVERVIEW

- **All information regarding claim liability and damage facts will be input into the Colossus system**
- **Liability assessment and value drivers are especially important in determining an appropriate settlement**
- **Colossus will return a predicted settlement value assuming injury facts are credible**
- **Based on the value driver inputs and claim representative judgment, an adjustment should be made to Colossus in the "other offsets" field in order to arrive at a settlement value in the base value range for local MIST cases**
- **Base value is calculated as the 10th percentile of historic MIST settlements for local region**
- **By using Colossus, we will have access to data on MIST cases to generate analysis on MIST cases over time**

Tactics: Negotiation

Negotiate MIST cases effectively by applying the information developed through thorough investigation and evaluation with prepared negotiation strategies.

KEY ELEMENTS OF MIST STRATEGIES



Strategies

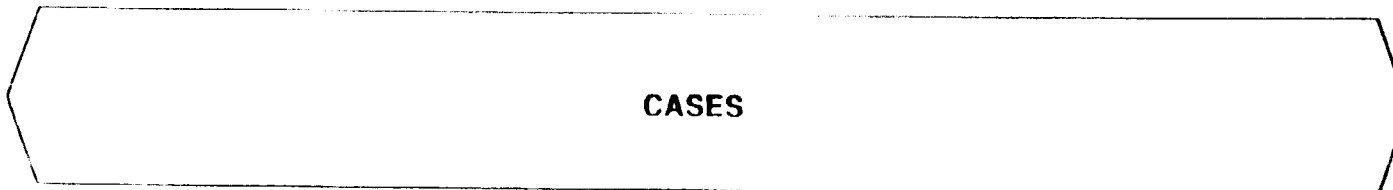
- Fully utilize prior steps
- Preempt potential build-up
- Apply understanding of attorney economics

Tactics and tools

- Communicate investigation and evaluation outputs
- Apply negotiation strategy worksheet
- Leverage known practices of attorney and providers
- Assure prompt contact of attorney
- Consider out of pocket only or make nominal offers on claims with no suspected injury
- Present historical verdicts to opponents
- Discourage disposition by trial based on likely costs

The decision whether to CWP or settle the case for a nominal amount is based on claims representative judgment of the merits of the claim.

FACTORS FOR CWP VS. NOMINAL AMOUNT



No damage or nominal damage only to claimant's vehicle

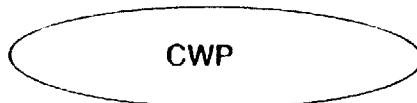
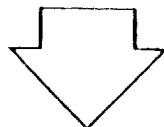
No damage to insured's vehicle

Most parking lot accident

Other parties not injured

Inconsistent treatment patterns

Photographic evidence strong



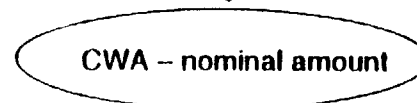
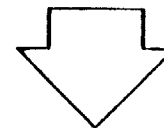
Claimant damage limited to bumper (no sheet metal damage)

Minor to moderate damage to insured vehicle

Elderly, infirm, or otherwise sympathetic claimant

Reasonable treatment pattern

Pre-existing injury aggravated



Should claimants decline these offers and file suit, litigation should be pursued

TOOL: NEGOTIATION STRATEGY WORKSHEET

- Purpose:** Develop effective arguments to support evaluation
- Who:** Claim rep/claimant attorney
- When:** To be used at the time of negotiation conference
- Instructions:** Develop arguments on liability, damages, and medicals. Then, list the attorney's arguments in these areas. In the final column, list arguments to refute their arguments

TOOL: ATTORNEY INFORMATION SHEET

- Purpose:** To develop a profile on the structure of the attorney's law firm, the negotiation style, the typical claim amount, provider relationships and disposition habits
- Who:** Claimant attorney
- When:** To be used in creating the disposition strategy
- Instructions:** As each case is settled this form should be completed and information should be cataloged as a reference tool for others involved in cases with this attorney

In test MIST sites, about 30 percent of cases have been CWP with average CWA severity approximately \$2,200.

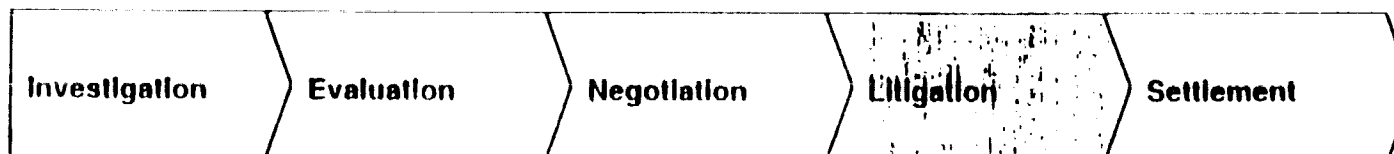
EXAMPLE – MIST CASE DISPOSITION

Location	Loss description	PD		Injuries	Specials		Demand	Settlement/ disposition
		Insured	Claimant		Medical	Wage		
Tustin	Insured rear ends claimant, then third vehicle, then liable insured backs into claimant		\$1,144	Neck, right shoulder	\$3,175 DC		\$15,000	\$1,200
Tustin	Insured rear ends claimant		\$635	Thoracic strain/sprain	\$1,886 DC		\$10,000	\$2,500 (claimant age, treatment credible)
Baltimore	Insured rear ends claimant and passenger at traffic light	\$90	\$191	Neck, back, shoulders	\$9,500 (13 different providers)	\$3,500	\$20,000	0 (defense verdict based on photo evidence, claimant witnesses)
Colton	Insured R/E client at traffic lights		\$532	Neck, back	\$874		\$6,000	\$1,750

Tactics: Litigation

A MIST specialist should be assigned from house counsel to vigorously provide winnable cases.

KEY ELEMENTS OF MIST STRATEGIES



Strategies

- Choose litigation cases carefully
- Develop specialized skills
- Discourage habitual abuse
- Prepare for litigation

- Manage additional investigation

Tactics and tools

- Review trial assessment worksheet
- Staff counsel MIST specialist on MIST cases
- Review attorney/provider database
- Request notice of deposition of witnesses and plaintiff, production of interrogatories within 1 week of answering lawsuit
- Maintain contact with insured and solicit support
- Prepare insured for depositions and trial earlier in process
- MIST counsel may choose to subpoena medical records, subpoena medical professionals
- Use vendor catalog (biomechanical experts, accident reconstructionists, surveillance, etc.)

TRAIL ASSESSMENT WORKSHEET

Purpose: To review investigation findings and determine if trial is warranted

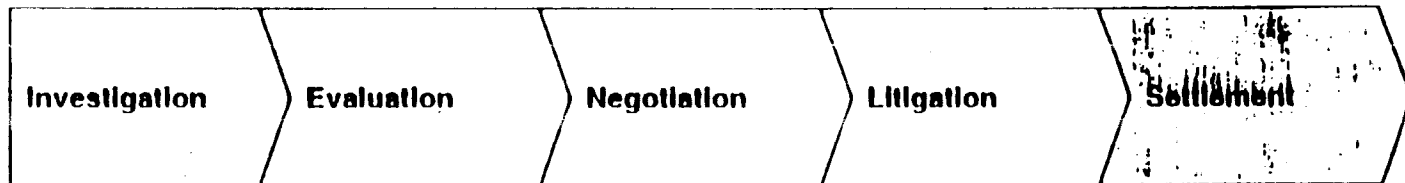
Who: Claim rep and UCM

When: On those cases where our nominal settlement offer of denial is not accepted and litigation is anticipated

Tactics: Settlement

Settlement method should be chosen based on merits of the cases.

KEY ELEMENTS OF MIST STRATEGIES



Strategies

- Choose appropriate settlement method
- Demonstrate commitment to trying case

Tactics and tools

- Review ADR/litigation guidelines
- Apply knowledge of attorney M.O.
- Settlement method should be determined on a case-by-case basis
- Refuse all unreasonable settlement demands
- Defend abusive cases

TOOL: GUIDELINES FOR USE OF ADR/LITIGATION

- Purpose:** To provide examples for when ADR and litigation should be used as settlement methods
- Who:** Claim rep/staff counsel
- When:** At disposition time
- Instructions:** Review suggested criteria and select resolution method. Consider high/low agreements in arbitration. Discuss strategies with staff counsel

2.19 GUIDELINES FOR USE OF ADR/LITIGATION**ADR**

Plaintiff attorney has difficulty convincing his client to accept a reasonable offer

Litigation expense considerations greatly outweigh the chances of success (provides the benefits of a judicial hearing without the expense of litigation)

You are at an impasse in liability allocation or damages

There is a potential for a large verdict or excess exposure

You want to convince all parties to reach settlement

You need an informal method to clarify areas of agreement or disagreement; permits both sides to obtain a better understanding of unresolved issues

You want to schedule a "hearing" quickly

You desire a confidential hearing and result

You want finality (binding arbitration)

The insured is unavailable or makes a poor witness

Litigation

The typical MIST case

0-5 mph impacts with excessive treatment soft-tissue injury

Multiple party cases when not all parties agree to ADR or settlement

Clear fraud/SIU cases

Attorney wants high cap above our top value

A compromised settlement is not desired

A strong defensible case has been built

After we have negotiated to our top value

Clearly favorable liability with only minimal offer

AGENDA

FINDINGS	
TACTICS	TOOLS
MEASUREMENT	

Measurement

In order to track the effectiveness of the MIST specialization on the following measures should be tracked.

MEASURE

- **CWP ratio**
- **Average closed cost**
- **Average CWA**
- **Percent reopens**
- **Allocated expenses**

TRAINER'S GUIDE: MIST TRAINING

Note to Trainers: In addition to this trainer's guide, the MIST training module consists of the following parts:

- ***MIST Training presentation*** Provides an overview of the key findings that lead to the development of this generation of the MIST concept. Details the key strategies and lists the tactics and tools developed through which the MIST specialization will be accomplished. Lists the measures through which MIST performance will be tracked.
- ***MIST Role Plays***. A MIST claim scenario including liability and loss facts, example evaluation and worksheets for role plays of the recorded statements and the negotiation process. Use of Feedback sheets should be stressed in order to conduct a useful discussion of best practices.

Explain all parts of the training and how they will be used.

Guest speakers are encouraged in addition to these prepared Materials. They serve to promote greater understanding and generate questions and discussion on the key topics in this module. In addition, the change in tempo created by introducing speakers other than the trainer helps energize and engage the audience. Most important, however, is the increased coordination of local resources and affected parties to assure the maximum success of the MIST program in your region.

Suggested Speakers are:

- ***Local SIU Manager or Representative*** to discuss the local file transfer guidelines, provide helpful hints for investigation and evaluation of evidence and to get consensus on disposition methods within the region.
- ***Biomechanical engineer or expert*** to explain basic biomechanical analysis and its application in evaluating and refuting injury allegations. They can also provide tips on what is required from claims representatives to facilitate the use of biomechanical analysis (e.g., photos, estimates, statements, medical review, etc.)

- **Managing Attorney or Supervisor from Staff Counsel to speak on the partnership in file development between the claim office and staff counsel for selecting the appropriate disposition method: settlement, ADR or litigation.**

Objectives of this Trainer's Guide:

- **Provide background and additional help in making effective presentation of the MIST Training Module.**
- **Supplement training materials with points for reinforcement of slides.**
- **Provide basis for additional trainer's notes which can be included in the page by page notes.**

Objective of MIST Training:

Train MIST desk specialists in the tools and tactics to achieve the following objectives.

- **improved investigation and verification of MIST claims**
- **more consistent and objective evaluations**
- **sound negotiating practices to reach the appropriate settlement**
- **litigation of all winnable cases which cannot be settled equitably**

Participants:

MIST UCM'S and MIST desk claims representatives, MCO management staff, Staff Counselors of MCO's

Preparation:

Trainers should feel comfortable with the training presentation , especially the case example and role plays. Suggested preparation tips:

Preparation (continued)

- Spend time becoming familiar with presentation packet and appendix. A rule of thumb is to spend 2 hours studying and preparing for each hour of presentation.
- Practice speaking in front of a mirror making the points of each slide. Visualize making eye contact with your audience.
- Write additional examples or notes to yourself on your copy of the presentation or this trainers guide to remind you of what you want to say.
- Focus on the 2 or 3 main points of each slide and link them to the main objectives of the training.
- Visualize a high energy presentation that keeps your audience interested and engaged in the material they are learning.
- Try to keep the discussion on the agenda and on track. As facilitator of the discussion the participants look to you for leadership. Full attention of all participants is enhanced with appropriate breaks.
- Keep the big picture in mind and engage your audience with the benefits of the changes required.

Agenda Overview:

Subject	Description	Time	Materials ¹
1. Overview Findings	Present basic findings leading to the Mist solution and highlight the five areas of improved execution addressed in this training document. Discuss Use of Case example.	30 Min	<ul style="list-style-type: none"> • Objectives • Findings • Investigation, evaluation, negotiation, litigation and settlement for improved MIST handling • File Transfer Criteria
2. File Selection Criteria/SIU	Permit discussion of local MIST file selection criteria, interface with SIU	30 Min	<ul style="list-style-type: none"> • Guest Speaker materials
3. Investigation I	Present overview of tools for improved investigation of MIST cases.	30 Min	Investigation Guidelines, Guidelines for vehicle photos, Script: Recorded Statement from Biomechanical Research, Guidelines for attorney meeting, Script: R/S from claimant, Guidelines for biomedical investigation, Vendor Catalog
4. Investigation I: Recorded Statement Role Plays (Insured)	Practice techniques for effective recording of statements for insured claimants.	30 Min	Role Play Scripts and Feedback Forms, Tape Recorder & Tapes.
5. Investigation II: Recorded Statement Role Plays (Claimant)	Practice techniques for effective recording of statements for insured claimants.	1 Hr.	Role Play Scripts and Feedback Forms, Tape Recorder & Tapes.
6. Evaluation	Explain the use of Colossus and other tools for evaluation of MIST cases. Explain the offset that will usually be applied to MIST cases.	1 Hr.	Example of Value Drivers and Liability Assessment Worksheet, Negotiation Strategy Worksheet, Base Values, Verdict Values
7. Negotiation	Discuss appropriate use of negotiation strategy for effective settlements. Role play negotiation discussion	1 Hr.	Negotiation Strategy Worksheet, Feedback Forms, Tape Recorder & Tapes
8. Litigation/Settlement	Explain tactics for trial of winnable cases and selection of the appropriate settlement method.	1 Hr.	Trial Assessment Worksheet, Guidelines for Use of ADR/Litigation
9. Measurement	Explain key measures to be tracked and managed for MIST representatives and managers	15 Min	(none)
10. Questions and Answers		30 Min	
	Total Time	6 Hrs 45 Min	

¹In addition to the MIST Training Presentation Package

Page by Page Notes:**Page****0 Title Page**

- Thank participants for attendance
- Introduce yourself and other trainers and guests by explaining any relevant experience.

1 Training Objectives

- Explain the purpose of the training
- Point out that MIST specialization is a great opportunity to have impact within the MCO and for Allstate a whole

2 Findings (Tracker)**3 Findings**

- Discuss the origins of MIST process redesign
- Describe the vicious cycle that Allstate and the insurance industry in general are in. Until we can eliminate the incentive to pursue frivolous claims, loss cost will continue to rise, premiums will continue to increase, Allstate sales people will continue to struggle to sell and the cycle will continue. By drawing the line on MIST cases of questionable credibility, we will pay only appropriate settlements and minimize any unfair gains currently reaped by attorneys and opportunists.

4 Objectives of MIST Segment

- Stress the benefits from specialization of the MIST class of claims.

5 File Selection Criteria

- Transfer procedures for the local MCO should be explained

6 File Selection Criteria (SIU)

- Be sure to invite a local representative of SIU to explain the roles and responsibilities of MIST and SIU in the local market
- SIU should handle all questionable or likely fraudulent cases up to their full capacity
- Any staged accidents, jump-ins or other clearly fraudulent cases are obviously SIU cases

7 Tactics (Tracker)

8 Investigation: Overview

- Main point: conduct the appropriate investigation to successfully settle or defend MIST cases.

9 Investigation: Investigation Matrix

- The investigation guidelines list required investigation procedures for MIST cases. For cases most likely to settle up front, the following are required:
 - MBRs
 - Vehicle photo and PD estimate
 - Index bureau
 - Police Report
 - MAWA (standard form)
 - Claimant Recorded Statement (of all people in car, separately with precautions to prevent collaboration on stories)
- A recorded statement of the insured is recommended for settlements. Contact with the insured is required.
- A review of available biomechanical data is recommended for settlements or CWP's.

- The following practices are optional for settlement, but required if the case should be tried:
 - Medical History
 - Records Review
 - Biomechanical Analysis
 - Face to Face Claimant Recorded Statement
 - Insured Recorded Statement
 - IMEs are required for threshold cases to be tried

10 Investigation: Guidelines for Vehicle Photos

- Stress the necessity for good photos to support the no/low injury case defense and potential biomechanical analysis. These photos might be used in settlement discussions to anchor case facts.
- Explain the need for objective photos from direct angles at eye level.
- Claims representatives must coordinate with drive-in or independent investigators as well as staff counsel to assure best practices are maintained as promptly as possible.

11 Investigation: Recorded Statement from Insured

- Self explanatory
- Introduce the role-playing exercise scenario and assign roles for claim representative and insured.
- Use feedback templates to identify critical success factors for recorded statement taking.
- Mention necessity of probing adequately to assure witness credibility and avoid "cave-in."

12-14 Investigation: Examples of Biomechanical Research

- Use Examples from Biomechanical Research in conjunction with the Comparison of Damages, Speed and G-force as a negotiating tool.

- Data provided were developed by Minorpac (a biomechanical information vendor) through analysis of 6 example claims filed with Allstate in Southern California.
- Because vehicles are designed so that bumpers and other vehicle body parts absorb most of the force of impact, the force on passengers and drivers involved in accidents is actually quite low and comparable to other small impacts that people commonly experience.
- "G-force" is a measurement of the acceleration experienced by a mass. As we know from physics, $F = ma$. Force is measured by mass times acceleration. One "g" is equivalent to the acceleration rate of the earth, which is 9.8 m/sec/sec. Thus, the degree of force estimated in our hypothetical examples varies from 20% of the earth's acceleration to one and a half times this level. For reference as the maximum acceleration a human being would ever experience, a jet fighter pilot in excellent physical condition might experience 7 g's before the force of the acceleration would cause loss of consciousness.
- If you are considering the settlement for a minor impact case, the likelihood of serious injury occurring might be assessed by analyzing the force of impact. Furthermore, the comparisons made might aid in convincing a claimant of the weakness of their case.
- For example, suppose the insured was driving a 1987 Honda Accord and rear-ended a 1980 Mercury Bobcat at an estimated speed of 5 mph. The force experienced by the Mercury driver was approximately 0.6 g's according to Minorpac's analysis. One argument to the claimant might be presented as follows: "Admittedly, there was impact between the cars, and to the degree that our insured was liable, you should be compensated for any injuries sustained. Nevertheless, we estimate the force of impact was 0.6 g's, approximately the same degree of force as bumping into a parking curb at 4 mph or rolling into a curb in neutral. How serious could injuries truly be under those circumstances?"
- The actual force experienced by accident victims depends on the vehicle designs as well as the speed and direction at which the vehicles were traveling at the time of impact. These examples may serve as effective general references in many cases. More precise and specific analysis of the force of impact should be pursued with the aid of biomechanical experts. Consult your vendor catalog if the claim warrants further research.

- Be sure to solicit questions regarding the biomechanical information since it may seem like mumbo-jumbo without clear explanation.

15 Investigation: Guidelines for Attorney Meeting

- Self explanatory
- Discuss purpose of Attorney/Rep meeting
 - Verify merits of case
 - Evaluate claimant as witness
 - Communicate negotiation position and influence settlement timing when appropriate.

16-17 Investigation: Recorded Statement from Claimant

- Same as 13
- All claimants should be interviewed independently to prevent collaboration.
- Note that the required contact method is face-to-face and MIST representatives should stress the necessity to assess liability and confirm loss facts and damages to continue processing claim.
- Attorneys may demand written statements. Offer to transcribe recorded statement for signature.

18-23 Investigation: Vendor Catalog

- This Vendor Catalog was developed by Dennis Elliott (San Fernando MCO) to serve as reference for hiring biomechanical experts, accident reconstructionist, etc. Each region should develop their own resource manual for hiring expert support.
- Table of Contents lists range of experts catalogued.
- Example page shows type of information available in this 100 page document.

- The entire Vendor Catalog should be available through CCM. Retaining high cost consultants should be undertaken with consultation of UCMs and/or management teams.

24 Evaluation: Tactics

25 Evaluation: Claim Diagnostic/Colossus

- Factors such as the Colossus Value Drivers should be considered in adjusting the Colossus value calculated.
- Keep in mind that Colossus assumes that the injuries reported are credible, whereas investigation of some cases will indicate otherwise.

26 Evaluation: Base Values for MIST cases

- Data from the local closed file surveys are shown in appendix pps. 18. This page shows historical information on the distribution of claims settlements for represented minor impact (generally PD < \$1000) soft tissue cases.
- The "Base Value" for MIST settlements refers to the minimum level of likely settlement as represented by the historical settlement level for the lowest 10% of claims settled. (i.e. Of the claims reviewed in the closed file survey, 10% settled at or below this base value and 90% settled for more money than this value.)
- The "Median Value" is the \$ settlement level below which 1/2 of all claims settled. (Half of all claims settled for more than this level.)
- While every case should be evaluated on its merits and adjustments in settlement value will often be required, the new evaluation approach should lead to more settlements in the base value range and fewer settlements greater than the historical median.

27-30 Evaluation: Attorney & Provider Information Sheets

- Information should be gathered on attorneys and providers involved in MIST cases and maintained in paper files until a computerized database can be developed.

- Prior to attorney discussions and negotiations, this information should be consulted to establish appropriate negotiation strategy.
- Longer term, computer based systems will be developed to insure easy access to this information.
- Note that no derogatory comments regarding attorneys or providers or anything that might be embarrassing to Allstate in court should be recorded on these files

31-33 Evaluation: Verdict Summaries & Trial Economics

- The verdict information presented is compiled by Jury Verdict Research for verdicts across the country.
- The information included is specific to this region for 1990 to 1993 including MIST and non-MIST as well as defense verdicts.

34-36 Evaluation: Trial Assessment Worksheet

- The Trial Assessment Worksheet should be completed when a case is being considered for settlement. All of the factors impacting the favorability of the case should be assessed to determine our negotiating strength and willingness to litigate.

37 Evaluation: Negotiation Strategy Worksheet

- Self Explanatory

38 MIST Evaluation Overview

- MIST file evaluation revolves around two key decisions:
 1. Whether the case has little enough merit to CWP
 2. If the case is to be settled for a nominal amount, how much adjustment to base value should be made
- These decisions should be made on the type of criteria listed on page 13
- In principle, the stronger our case would be in court, the less should be our settlement value

39 _ Negotiation: Overview

- Stress the importance of appropriate investigation and evaluation to develop sound negotiation strategy.

40 Evaluation: Factors for CWP vs. Nominal Account

- Example factors to determine whether to CWP or settle for a nominal amount
- If a claimant is unwilling to accept what the claims rep determine is a fair offer and files suit, litigation should be pursued.
- Some example cases are listed to demonstrate our success in test sites.

41-42 Negotiation: Review negotiation strategy worksheet and attorney/provider information sheets.**43 Negotiation - Examples of MIST case disposition**

- Early examples of disposition results in MIST cases show that proper application of investigation findings and sound negotiations have proven the economic value of the MIST ideas.

44 Litigation: Overview

- Stress willingness to try questionable cases and commitment from house counsel
- When claimants' attorneys ask whether house counsel or external counsel will try, they may be trying to assess our commitment to try. Replies should stress capability to win based on case merits no matter who tries the case.

45 Negotiation: Trial assessment Worksheet Review**46 Settlement: Overview**

- Stress necessity of choosing the appropriate settlement method for the case.
Avoid ADR where favorable settlement is unlikely.

47 Litigation: ADR/Litigation Guidelines

- **Self Explanatory**
- **War story: The Tustin office faced a MIST case with manipulation under anesthesia raising Medical Specials to \$15,000. The claimant had been offered a nominal offer of \$2000. The offer was withdrawn and house counsel prepared to litigate.**

48 Measurement (Tracker)**49 Measurement**

- **Note differences in new measurement system compared to old focus on pending and closures.**

MIST Role Plays**Refer to Tips for Role Plays**

- **Stress the goals of the Role Plays**
 - **Generate ideas for how best to handle interactions**
 - **Practice techniques to achieve objectives identified in Role-Play note-taking worksheets.**
- **Remind all participants to take notes on the Feedback Sheets provided and contribute to discussion of best practices.**

CONFIDENTIAL

MIST ROLE PLAYS

ALLSTATE INSURANCE

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

CASE EXAMPLE: DESCRIPTION:**FACTS:**

Date of loss: 2/2/94 (Wednesday)

Time: 11:30 pm

Location: Hollywood Blvd. and US 1, Hollywood FL

Insured Fred Jones is waiting behind the claimant James Rowe at a red light. The claimant's vehicle is approximately 5 feet ahead of the insured's vehicle. The insured is driving a 1992 Toyota Previa. The claimant is driving a 1979 Chevy Caprice. The claimant is first in the line of traffic. The insured is alone in his vehicle on his way to work as a security guard. The claimant is on his way home from a successful bowling tournament. The light changes from red to green. Claimant begins moving slowly and several seconds later the insured begins moving. The claimant engine stalls briefly and seconds later the insured vehicle taps the claimant vehicle in the rear. They both get out and view the vehicles, agree that no damage is seen on either car and they both drive away. Six weeks later, the insured receives a letter from Attorney Smith who is representing claimant Rowe for personal injuries from the loss. The claimant has already been seen at our drive-in.

Liability Investigation

Adverse to Insured. He admits rear-ending claimant, but he insists that the impact was very light and that there was no damage to either vehicle. Both drivers using seatbelts.

Damage Investigation

Insured PD – \$0

Claimant PD – \$386.20 to rear bumper. Mostly scratches per the drive-in claim rep; photos in file, but scratches shown could have been preexisting. There was no loss in the shock absorbers. The bumper was not pushed in. The overall condition of the vehicle was fair to poor.

Insured BI – none

Claimant BI –

- Cervical strain alleged
- Represented by attorney William Smith
- No E/R after loss
- Carl Cramer, DC
 - Initial visit 2/16 \$125
 - 2/16-3/16 4X/week @ \$75 for multiple modalities consisting of hot packs, ultrasonic and massage therapy. Clmt is still treating.
 - Prognosis: fair
 - Meds covered by group insurance
 - John Beck – Radiologist 2/16 – 8 views of neck and back \$400
 - W/L (laborer) 2/16-3/4 (13 days @ \$80/day)

Prior losses – 12/3/93 – Injury alleged: neck
 Atty: Smith Dr.: Cramer
 1/9/90 – Injury alleged: neck, back, knee, wrist
 Atty: Smith Dr.: unknown, but treated at a clinic run by Dr. Cramer

NEGOTIATION STRATEGY WORKSHEET

Arguments in order of effectiveness	Our position	Their allegation	Our arguments to counter their allegation
Liability 1 2 3	<ul style="list-style-type: none"> Argue sudden stop due to mechanical failure Parties to loss did not see need to call police to scene 	<ul style="list-style-type: none"> Liability clear; rear-end hit; Insd following too closely Clmt did not want to wait for police 	<ul style="list-style-type: none"> Insd liability can be mitigated by the fact that claimant stalled suddenly, Insd reaction minimized impact; no damage to Insd auto If damages/injuries were real, clmt should have insisted on a police report or could have made a report subsequently so police could validate PD and BI or interview involved parties
Damages 1 2 3	<ul style="list-style-type: none"> PD consists of scratches that could have been preexisting Impact was very minor 0-6 G-force comparable to rolling into a curb at 4 mph Injury is very subjective clmt has a history of similar losses with same atty/same doctor Verdicts in area suggest median verdict at \$1,500 	<ul style="list-style-type: none"> Damages written by our rep Clmt "egg shell" – clmt pain real to him Clmt body sensitive to injury as a result of prior losses Can still win in court with right jury 	<ul style="list-style-type: none"> Photo evidence of general condition of car, as well as, bumper; payment was minimal and reflects D.I. reps assessment of damages; no loss to absorbers, no Insd property damage Clmt works as a laborer not likely an "egg shell" type at 245 lb and 6 ft.; using seat belt should limit movement from minor impact Treatment consists of massage, pacs and heat lamp. Cost and amount seem highly inflated Dr/atty combination seen before. Seems suspect Can substantially lose. Defense verdicts still exist. Cost to defend, time to prepare case does not guarantee a settlement
OOP's (medical, wage, other)	<ul style="list-style-type: none"> No out-of-pocket expenses claimed 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

CASE EXAMPLE: RECORDED STATEMENT OF INSURED

1

Guidelines for Information	Strengths	Weaknesses	Comments
Extracting information for defense of case			
Enlisting Insured's support			
Evaluating credibility of witness			

CASE EXAMPLE: ROLE PLAY – RECORDED STATEMENT OF CLAIMANT

Guidelines for Information	Strengths	Weaknesses	Comments
Extracting information for defense			
Maintaining professional relationship			
Refuting injury claim			
Evaluating witness credibility			

CASE EXAMPLE: ROLE PLAY – NEGOTIATION

Guidelines for Information	Strengths	Weaknesses	Comments
Presentation of case facts			
Use of negotiation strategy worksheet			
Reputation of claimant position			
Appropriate evaluation			
Settlement			

CONFIDENTIAL

SIU Segment Training

ALLSTATE INSURANCE CO

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

TRAINING OBJECTIVES

- **CCPU-SIU background and key findings**
- **SIU casualty transfer guide**
- **SIU best practices**
- **SIU design principles**
- **Organization**
- **Measurement**
- **Appendix**

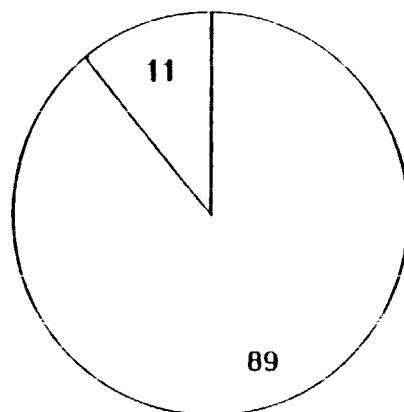
OVERVIEW

The CCPR BI file survey conducted in late 1993 and early 1994 indicated that suspected fraud may exist in approximately 11 percent of loss payments. Pro-active fraud detection and handling of suspect claims should reduce fraudulent activity and positively impact claim costs.

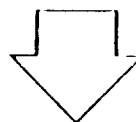
POTENTIAL FRAUD IN POPULATION BI AND UM/UIM

Files requiring Investigation

100% = total files*
Yes



No



Consistent with industry estimates (10%)

* CWA only

Source: Closed File Survey - 13 MCOs, OIS - 1993; Insurance Information Institute - 1992; team analysis

Interviews were conducted with several insurance carriers to gain insight about their skills.

COMPETITOR INTERVIEWS

Objectives

- Learn about the organizational structure of competitor SIUs
- Evaluate what tools are used by other carriers to screen potential fraud
- Assess the overall focus of SIU efforts in the industry

Approach

- Developed interview guide
- Contacted major carriers and conducted interviews by telephone
- Summarized results

The insurance companies contacted, organize their SIUs differently, depending on company size, referred volume, and focus of SIU activity.



COMPETITOR INTERVIEW SUMMARY

Company*	Report to home office?	Centralized by market?	Specialized by discipline?	Investigators vs. claim reps	Liaison program?
A	Yes	No	No	Investigators	Yes
B	No	No	No	Claim reps	Yes
C	Yes	No	No	Investigators	Yes
D	Yes	No	No	Investigators	Yes
E	No	Yes	Yes	Claim reps	Yes
F	Yes	No	No	Investigators	Yes

* Interviews with 6 major auto insurance carriers

Although many of the carriers surveyed acknowledge that SIU referral volume is an area of opportunity, virtually none utilize any type of internal screening and serving system to identify potential fraud.*

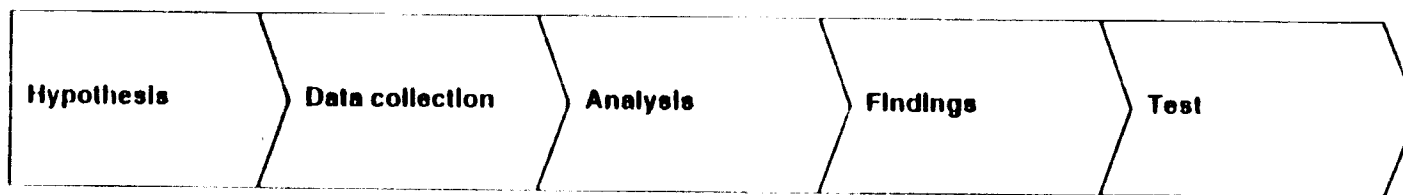
SCREENING AND SCORING SYSTEM

Company	 Casualty	 Property
A	No	No
B	No	No
C	No	Yes
D	No	No
E	No	No
F	No	No

* Most rely on internal training programs and NICD indicator lists to help identify suspected fraud cases

A specific CCPR-SIU team was formed to explore fraud related issues.

DESIGN APPROACH



- There are opportunities to be captured in detecting and fighting fraud in each market
- Opportunities exist to identify and screen potential fraud in the MCO
- There are different levels of fraud requiring different strategies
- SIUs should be structured to maximize file handling effectiveness and combat patterns of fraud

- Extensive file reviews were conducted in the third quarter of 1994 to identify areas of improvement
- Interviews were conducted with SIU managers nationwide to identify effective methods of handling SIU cases

- Identify common indicators found in potentially fraudulent claims
- Uncover opportunities in the investigation and transfer of suspect SIU claims
- Highlight SIU best practices and evaluate file handling processes in the SIU

- Uniform, objective approach to identify potential fraud in the MCO lacking
- Handling practices, measurement, and organizational structure inconsistent across SIUs
- Different levels of fraud exist that are best handled in the MCO or SIU
- Files often accepted in the SIU are based on workload and not potential for fraud
- Little or no action is taken beyond denial of claims

- Conduct design and test in the Valley Forge and LA Metro regions
- Measure results

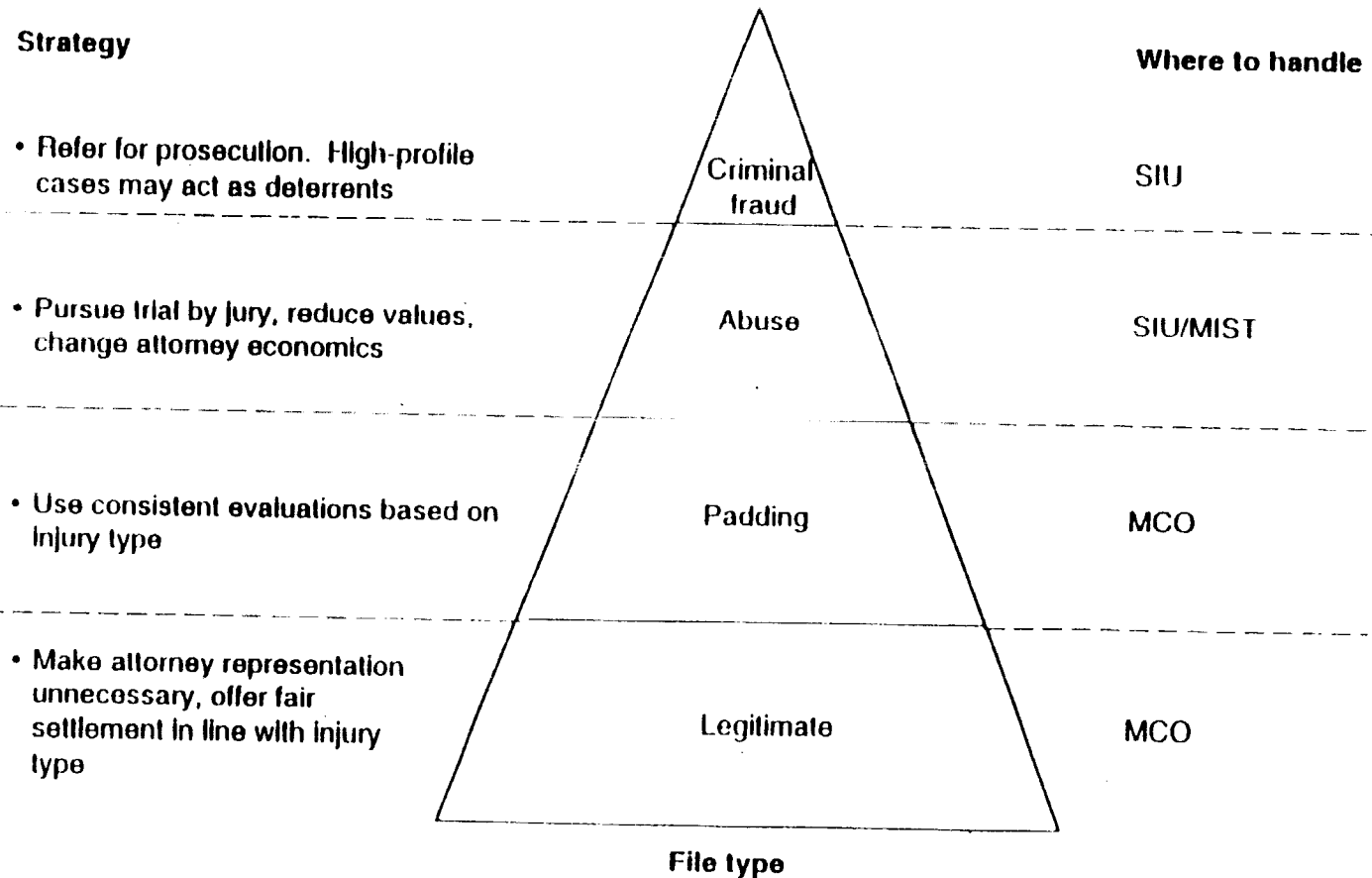
Closed file surveys were used to determine the key opportunities for improvement.

SIU SURVEY

Survey	SIU	MCO – minor impact	MCO – random
Source files	Approximately 200 SIU files from 5 regions (LA, SF, LI, VF, FLA)	Approximately 100 files from Valley Forge MCOs which had: <ul style="list-style-type: none"> • BB and DD <\$1,000 • AA >\$3,000 	Approximately 200 files randomly chosen from Valley Forge MCOs which had: <ul style="list-style-type: none"> • AA claims involved • Insured liability >50%
Reason for survey	Determine most common fraud indicators	Determine if fraud potential was present in files not transferred to SIU	Test the accuracy of the screening factors
Conducted by	SIU managers from various regions	SIU managers from various regions	SIU representatives from Valley Forge region

Potential fraud was found to exist in the closed file survey. Suspected fraud can be characterized in terms of the actions necessary to address the problem. Criminal and some types of abusive fraud are best handled in the SIU, due to the level of skill and effort required.

POTENTIAL CASUALTY FILE SEGMENTATION



As a result of the analysis conducted, key elements were identified for the SIU test.

KEY ELEMENTS OF THE TEST

Key findings from the analytic phase	Key elements of the SIU test
Opportunity for improvement in uniform, objective identification of fraud files at the MCO level	Improve identification and quality of file referrals based on the introduction of a transfer guide
No uniform approach in the handling of SIU cases	Introduction of an SIU casualty best practices guide
No process for addressing patterns of fraud other than on a per file basis	Installation of an SIU analyst function designed to address patterns of fraud
Different types of SIU processes and organizational structure across regions	Establish design principles as the basis for organizational design and processes

The Valley Forge and LA metro regions are currently involved in the CCPR-SIU design and test.

TEST SITES

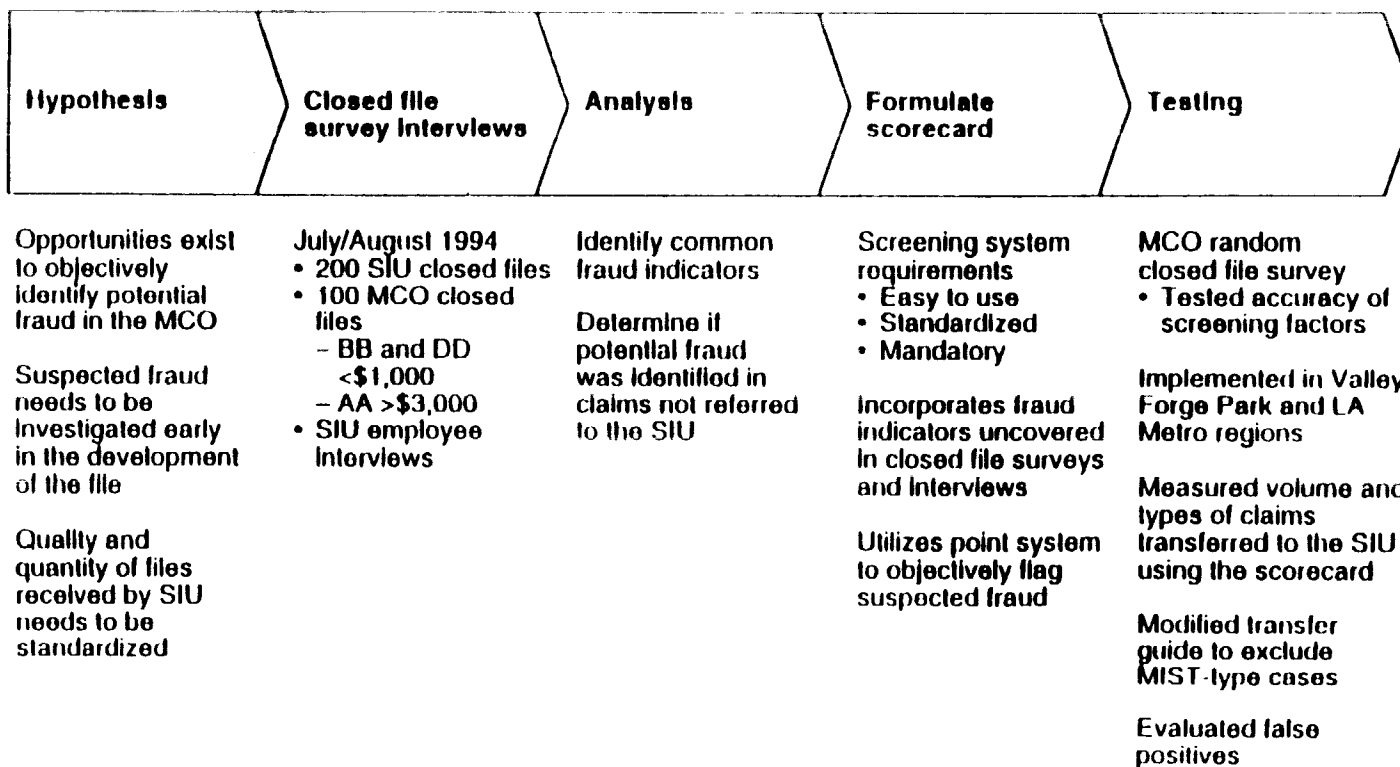


LA METRO	
Test phase	Date
• Transfer guide	2/13/95
• SIU analyst	2/13/95
• Design principles	2/13/95
• Best practices	3/6/95

VALLEY FORGE	
Test phase	Date
• Transfer guide	11/1/94
• SIU analyst	1/15/95
• Design principles	11/1/94
• Best practices	3/6/95

In order to address the proper identification of bodily injury fraud, the task force developed a casualty SIU transfer guide.

POTENTIAL CASUALTY FRAUD IDENTIFICATION IN THE MCO



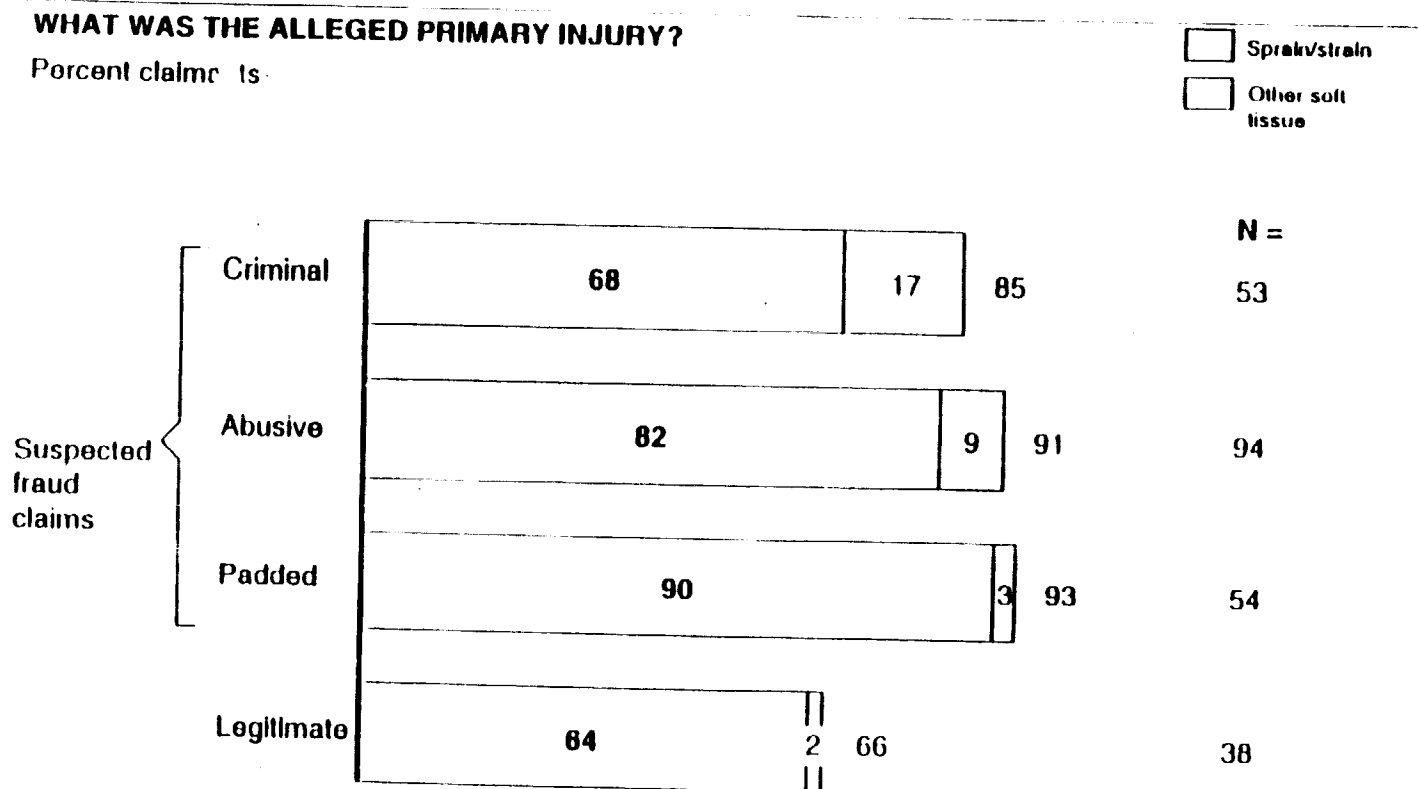
The closed file surveys and employee interviews identified several common indicators in suspected fraud claims.

KEY FINDINGS FROM SIU CLOSED FILE SURVEYS

Common fraud indicators include

- **Claims with subjective injuries were more likely to be fraudulent**
- **Multiple claimants appear more frequently in fraudulent claims**
- **Many multiple claimants in fraudulent files share the same doctor and attorney**
- **Fraudulent injury claims are more likely to involve minor impact collisions**

Sprains and strains are the most popular injuries found in SIU files, especially with abusive claimants and those padding claims.

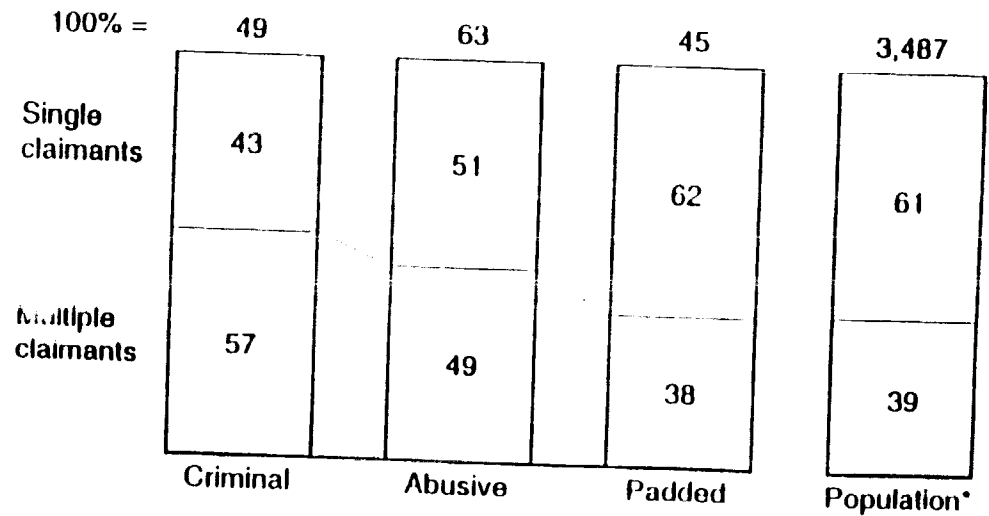


Source: SIU Closed File survey

Multiple claimants are found more frequently in suspected fraudulent claims than in the general population of files, particularly in those involving suspect criminal or abusive fraud.

NUMBER OF A_s OPEN PER FILE – FRAUDULENT VS. POPULATION

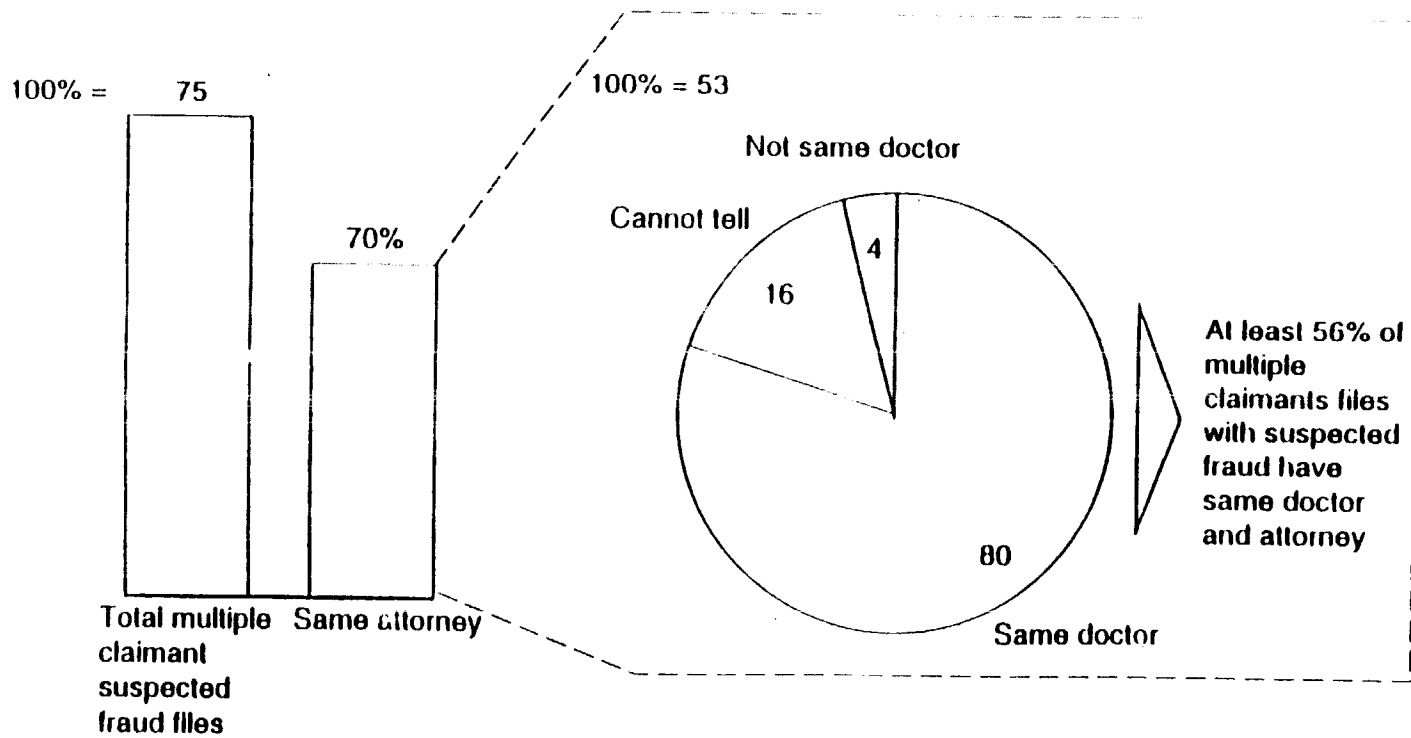
Percent suspected fraudulent vs. population



* Estimate based on all CWAs in Valley Forge Region in 1993
Source: SIU Closed File Survey; audit of Valley Forge Region files 1993

Many multiple claimants in suspected fraudulent files share the same doctor and attorney.

USE OF SAME DOCTORS AND ATTORNEYS IN MULTIPLE CLAIMANT FRAUDULENT FILES

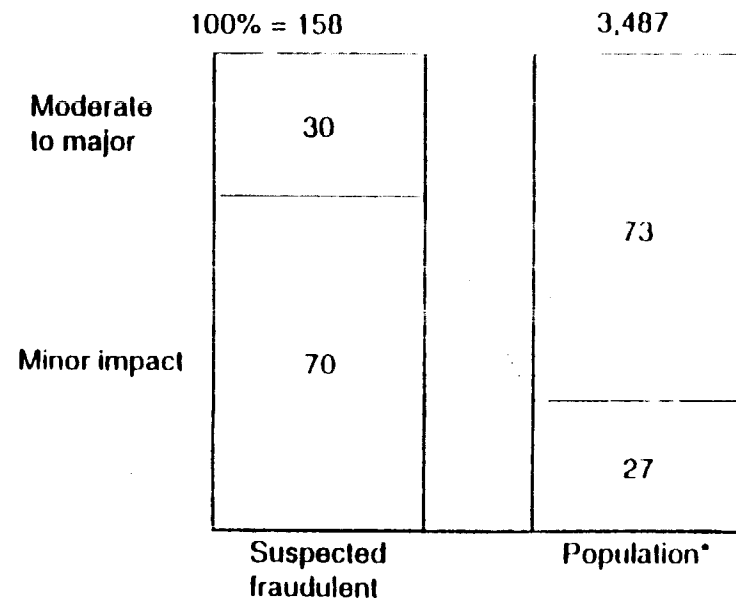


Source: SIU Closed File survey

Most suspected fraudulent files involve minor impacts, especially when compared to the general population of files.

**LEVEL OF IMPACT –
FRAUDULENT FILES VS. POPULATION**

Percent



* Based on all CWAs from Valley Forge Region – 1993
Source: SIU Closed File Survey, Auditing Department

Total points (in pencil) _____

Date score reaches 100- _____

Claim No. _____

SIU CASUALTY TRANSFER GUIDE

(CIRCLE ALL POINTS THAT APPLY)

- 100 INSURED REPORTS ACCIDENT DID NOT HAPPEN
- 100 INFORMANT NOTIFIES ALLSTATE OF SUSPECTED FRAUD
- 100 UNEXPLAINED INCONSISTENT DAMAGES
- SEVERITY OF IMPACT (MINOR TO ONE-MAJOR TO ANOTHER)
 - LOCATION (POINTS OF IMPACT)
- 100 SYSTEM INFORMATION INDICATIVE OF SUSPECTED FRAUD
- PARTY TO LOSS INVOLVED IN PRIOR NICB REFERRAL
 - INSURED/CLAIMANT HAD PRIOR ALLSTATE CLAIM HISTORY THAT WARRANTS FURTHER INVESTIGATION BY THE SIU
- 100 INDICATION THAT ACCIDENT WAS A SET-UP
- STAGED ACCIDENT
 - JUMP-IN
 - SUSPICIOUS HIT AND RUN
- 100 TREATMENT MAY NOT HAVE OCCURRED. INDICATION THAT CLAIMANT DID NOT RECEIVE ALL OF THE TREATMENT DESCRIBED IN THE SPECIALS
- 30 CLAIM REPORTED 20 DAYS OR MORE AFTER DATE OF LOSS
- 20 MINOR IMPACT (GENERALLY LESS THAN \$1000 DAMAGE ON ANY VEHICLE)
- 40 CLAIMANT HAD A BI CLAIM INVOLVING MORE THAN EMERGENCY ROOM TREATMENT (WITHIN THE PAST 3 YEARS OR SUBSEQUENT TO THE LOSS)
- 10 LOSS WITHIN FIRST 90 DAYS OF NEW POLICY (FIRST TIME ALLSTATE AUTO POLICYHOLDER)

MULTIPLE CLAIMANTS

- 30 THERE ARE MULTIPLE INJURED CLAIMANTS
- 50 UNRELATED CLAIMANTS HAVE SAME DOCTOR AND SAME ATTORNEY
- 25 UNRELATED CLAIMANTS HAVE SAME DOCTOR BUT NOT SAME ATTORNEY
- 25 UNRELATED CLAIMANTS HAVE SAME ATTORNEY BUT NOT SAME DOCTOR
- SELECT ONE

TREATMENT

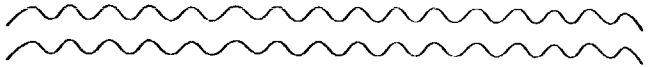
- 30 TREATMENT STARTED MORE THAN 15 DAYS FROM DATE OF LOSS (EXCLUDING ANY INITIAL EMERGENCY ROOM TREATMENT)
- () OTHER REASONS (DISCUSS WITH SIU REP AND/OR UCM)

(FILE QUALIFIES AS A REFERRAL WHEN TRANSFER GUIDE TOTALS 100 POINTS OR MORE)

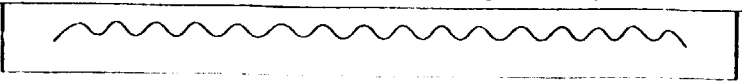
Certain indicators identified will result in an automatic referral to the SIU.

THE SIU CASUALTY SCORECARD ELEMENTS

SIU CASUALTY TRANSFER GUIDE



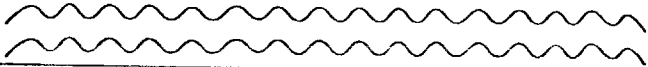
No. of points	Fraud Indicator	Comments
100	Insured reports that accident did not happen	<ul style="list-style-type: none"> • Insured denies involvement or denies loss occurred
100	Informant notifies Allstate of suspected fraud	<ul style="list-style-type: none"> • Typical informants include insureds, agents, independent witnesses, law enforcement, or anonymous tips
100	Unexplained inconsistent damages	<ul style="list-style-type: none"> • Amount or location of damage is contradictory to what should normally occur or is inconsistent with facts of loss
100	System information indicative of suspect fraud	<ul style="list-style-type: none"> • Party to loss involved in previous NICB and state fraud bureau referral • An Allstate claim history match warrants further investigation
100	Indication that accident was set up	<ul style="list-style-type: none"> • Staged – accident caused intentionally or never happened • Jump-in – claimant not in vehicle at time of loss • Suspicious hit and run – Phantom car did not exist
100	Treatment may not have occurred	<ul style="list-style-type: none"> • Inconsistencies uncovered through comparison of bills vs. records, record and peer reviews, anonymous tips, or statements from injured parties



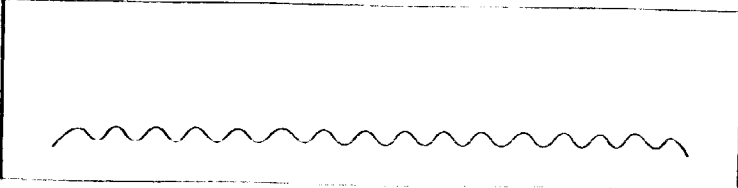
Other indicators only suggest fraud when found in combination with other factors.

THE SIU CASUALTY SCORECARD ELEMENTS (CONTINUED)

SIU CASUALTY TRANSFER GUIDE



No. of points	Fraud Indicator	Comments
30	Claim reported 20 days or more after date of loss	<ul style="list-style-type: none"> • Loss is reported by insured, claimant or another party
20	Minor Impact (generally, damage less than \$1,000 to any vehicle)	<ul style="list-style-type: none"> • Damage can be greater than \$1,000 in a minor impact accident or less than \$1,000 in an accident involving a major impact, depending on the age and type of vehicles involved
40	Claimant had prior BI claim involving more than emergency room treatment (within past 3 years, or subsequent to loss)	<ul style="list-style-type: none"> • Worker's compensation claims are included • A prior injury claim involving no medical treatment or no followup is not suggestive of fraud
10	NTR-O	<ul style="list-style-type: none"> • Verified new policy



Multiple unrelated claimants that are treating with the same doctor and represented by the same attorney is a significant fraud factor.

THE SIU CASUALTY SCORECARD ELEMENTS (CONTINUED)

SIU CASUALTY TRANSFER GUIDE		
No. of points	Fraud Indicator	Comments
30	Multiple injured claimants	<ul style="list-style-type: none"> • 2 or more claimants on the entire file (claimants can be either related or unrelated)
50	UNRELATED claimants have same doctor and attorney	<ul style="list-style-type: none"> • Only 1 indicator should apply • RELATED claimants with the same doctor, attorney, or both is not a likely indicator of fraud
25	UNRELATED claimants have same doctor only	
25	UNRELATED claimants have same attorney only	

Other objective indicators should be considered when evaluating whether a claim requires special investigation.

THE SIU CASUALTY SCORECARD ELEMENTS (CONTINUED)

SIU CASUALTY TRANSFER GUIDE		
No. of points	Fraud Indicator	Comments
30	<p>Treatment started more than 15 days from date of loss (excluding initial emergency room treatment)</p> <p>Other reasons</p>	<ul style="list-style-type: none"> • Emergency room treatment is common in accidents where an injury is reported at the scene • Examples include indictments of parties involved in loss, policy information age of vehicles, injury inconsistent with nature of accident

Testing of the casualty transfer guide in Valley Forge and L.A Metro showed promising results.

TEST RESULTS USING THE TRANSFER GUIDE

CONCLUSIONS

Screening tool is

- Accurate
 - Effectively identifies potential fraud to be handled both in the SIU and MCO
- Easy to use
- Enhances claim representative's independent judgment and experience
- Improves fraud awareness
- Promotes early transfer of appropriate suspect fraud claims to the SIU using the objective criteria on the scorecard
- Results suggest an increased volume of SIU referrals

Note:

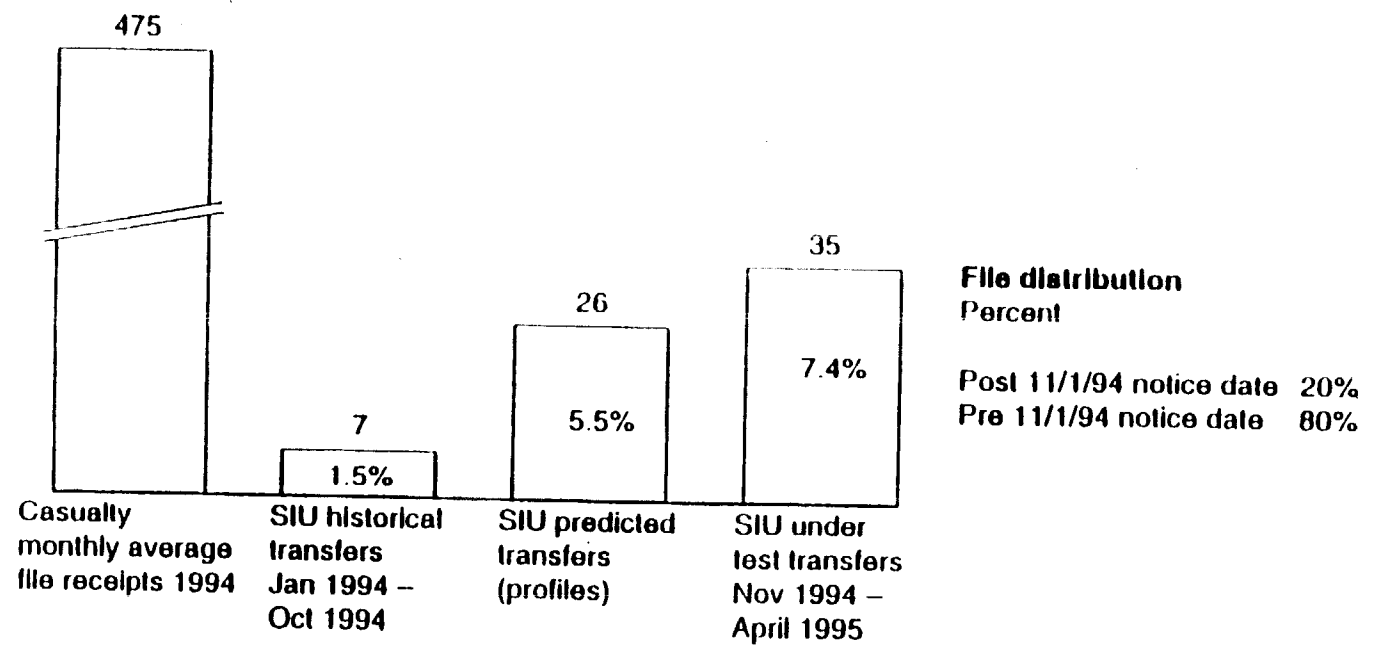
We are exploring the mechanization of the transfer guide. Features may include:

- Automatic scoring
- Audit capabilities
- Management reports

The scorecard has been successful in identifying potentially fraudulent files in the Horsham/Valley Forge Park test sites.

TRANSFER RESULTS

Average number of files



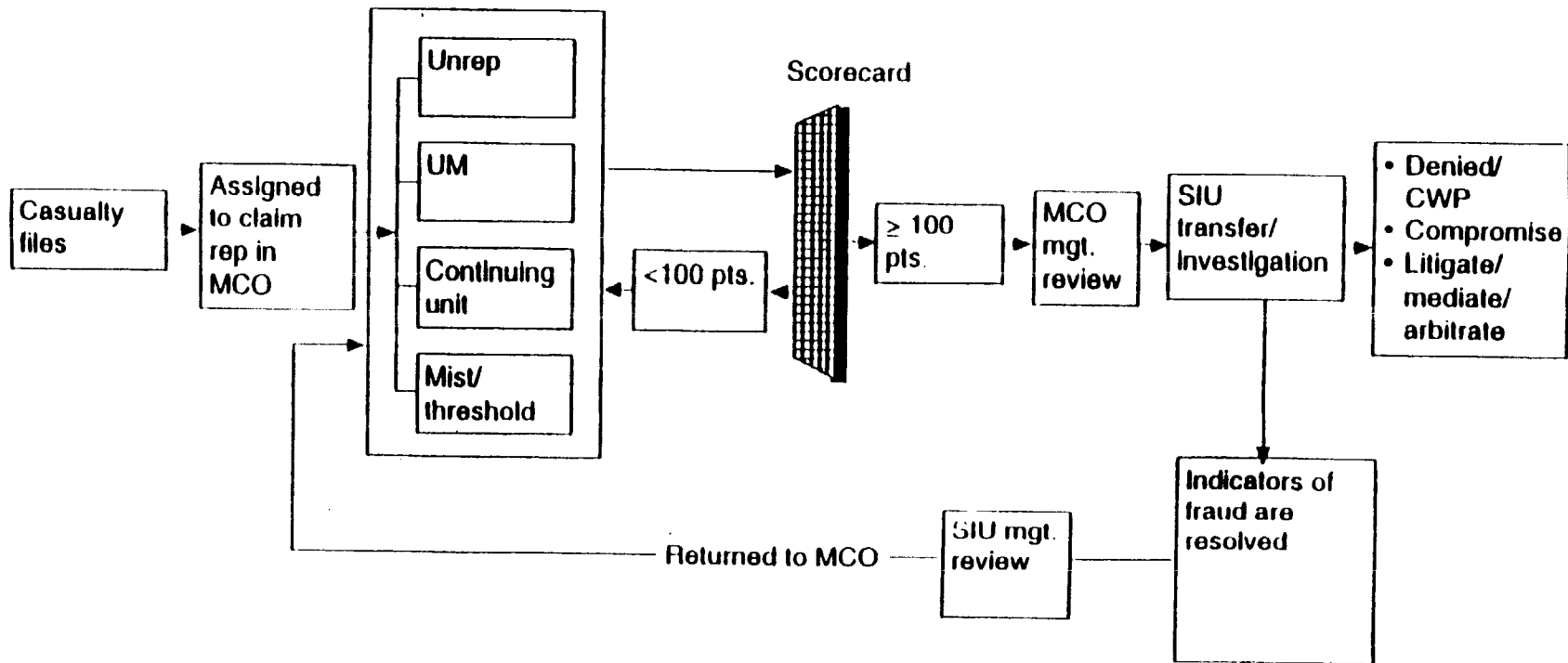
Certain guidelines should be followed to ensure the proper use of the scorecard.

SIU CASUALTY TRANSFER GUIDE INSTRUCTIONS

- **The transfer guide is a requirement of every bodily injury claim and should be placed within the casualty file**
- **As the claim develops and information is received, the scorecard should be updated. The guide should accurately reflect current status**
- **All points for every indicator identified in the file should be circled. The evaluation is on a per file basis, not per claimant basis**
- **The current point total should be written on the top of the guide in pencil**
- **When the point total \geq 100, the file should be transferred to the SIU**
- **The claim representative will discuss "other reasons" with SIU representative and/or local manager. Based on the nature of the issue, the file may qualify as an SIU referral**
- **A manager(s) should be designated to review and approve all scorecard transfers to assure that referrals to SIU are both timely and appropriate**

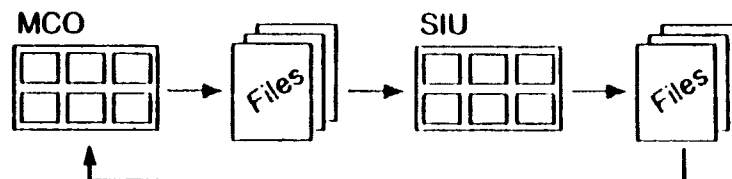
File flow and transfer rules should minimize the number of file hand-offs and encourage communication between the MCO staff and the assigned SIU representative(s).

FILE FLOW USING THE SCOREBOARD



Once suspected fraud is identified, the file is handled in the SIU until the fraud issue is resolved.

FILE TRANSFER OF SUSPECT SIU CLAIMS



- If a file has accumulated 100 points or more but the MCO claim representative feels strongly that fraud is not an issue, claim should be discussed with a manager and SIU representative to evaluate whether it is a false positive which should remain in the MCO
- When alleged fraud is identified, the SIU takes possession of the entire file, which includes the handling of non fraudulent coverages. Exception: PIP/Med Pay can continue to be handled in a centralized location (if applicable) if first-party fraud is not an issue
- If the file is investigated and fraud indicators are resolved, the claim is returned to the MCO. Exception: the SIU may take an additional step or two to conclude the claim, as long as extensive work is not required
- When the fraud issue is resolved and significant work remains for non fraudulent claimants, the file is returned to the MCO for the handling of these remaining open coverages

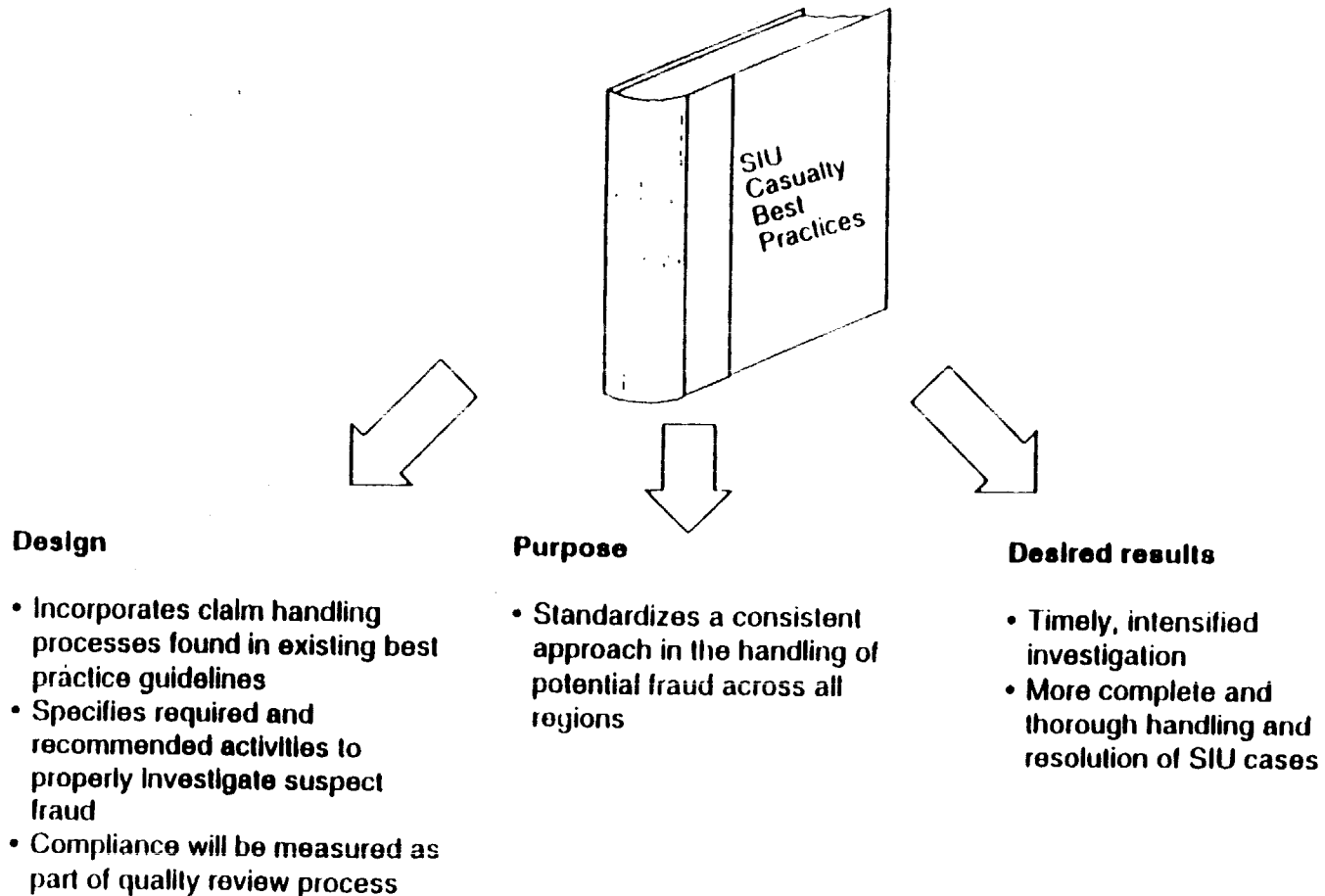
Management reviews are required to insure compliance with the rules for the SIU transfer process.

MCO MANAGEMENT REVIEWS

Type of review	Purpose	Process
Spot check	Verify compliance in using the scorecard	At time periods established by the MCO, select a random sampling of open and/or recently closed files. Determine if transfer guide is in the file. Review the scorecard to insure that indicators are circled and points are accurately totaled
Evaluative	Verify accuracy of scorecard	As part of established BI pending or closed file reviews, conduct an in depth review identifying all fraud indicators found in each file. Compare the results with the indicators circled on the transfer guide. Evaluate whether the scoring is current and accurate
Transfer	Verify compliance in transfer process	To ensure that transfer process is followed, at time frames established in the MCO, review the SIU transfer log for proper completion, review remanded files to evaluate reasons for return to the MCO, and conduct interviews with MCO employees

Casualty best practice guidelines were developed to improve the overall quality of file handling in the SIU.

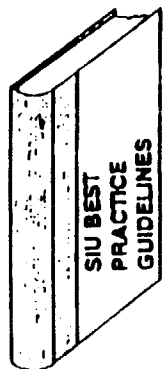
SUI CASUALTY BEST PRACTICES



The SIU casualty best practices guide was introduced in the Valley Forge and LA metro regions in early March 1995, as part of the CCPR-SIU test.

BEST PRACTICES FILE HANDLING GUIDELINES

ILLUSTRATIVE



Requirement	Comments
File transfers to SIU	Review, acceptance and assignment of appropriate files
Claimant contact	Specifies how, when, and what must be communicated to claimant
Reservation of rights/nonwaver agreements	Guidelines in accordance with CPPP manual
Statement taking	Provides guidelines on type of statement, time frame required, and how statement should be taken
Vehicle inspection	Includes guidelines on required photos and measurements, verification of ownership, and steps taken to help estimate the force of impact
Scene photos and diagram	Provides guidelines on types of photos, when they are mandatory and time frame requirements
Bill verification	Specific methods of verification in accordance with CPPP manual and time frame requirements

BEST PRACTICES FILE HANDLING GUIDELINES (CONTINUED)

Requirement	Comments
System requirements	Specific system and indexing activities that need to be performed
Diary documentation	Defines nature of entries required in the SIU mechanized diary
Nonfraudulent files	Specific guidelines concerning the transfer of valid claims to the MCO following investigation
Denial letters	Provides guidelines on specific denial letter wording which meets local statutory requirements
Management reviews	Provides guidelines on SIU file selection criteria to be followed in the review process
NICB and state fraud reporting	Guidelines to ensure the proper, consistent referral of suspect claims to NICB or state fraud bureaus
Legal	Requirements regarding referrals to defense counsel

Based upon input from claims management and file surveys, a set of design principles were established to guide the design of the SIU organizational structure.

SIU ORGANIZATIONAL DESIGN

Design principle	Rationale
1. Market focus – Integrate SIU operation within markets	Opportunities for insurance fraud are driven by local market conditions. SIU operations should be aligned to coordinate activities in these targeted areas
2. Specialize the local office between casualty and property disciplines	Casualty and property investigations require skills specific to each discipline, so segmentation will yield greater effectiveness
3. MCO liaison – Individual representatives should be aligned with specific MCOs for training and communication purposes, and the majority of a representative's pending should originate in that MCO	Effective training and communication between the SIU and MCO is required to assure timely identification and referral of suspected fraudulent files, and dedicating specific people to each MCO will facilitate this process
4. Specialize the handling of identified fraudulent patterns, e.g., doctor-attorney combinations	High value is gained through action against persons suspected of repeated fraud. Therefore, dedicated resources should be used on a project or on-going basis in order to centralize the organizational memory in these cases, which leads to greater effectiveness
5. Standardize the litigation management process	The activities required to effectively shepherd a file through litigation and achieve the best result are different from those of investigation. Litigation handling processes will lead to a more proactive approach to file disposition and successful outcomes

Opportunities for insurance fraud are driven by local market conditions. SIU operations should be aligned and direct their efforts in these targeted areas.

MARKET ORIENTATION

- **Valley Forge region**
 - **The Philadelphia vicinity and surrounding counties involve doctor-attorney relationships and is a very litigious environment. Emphasis needs to be placed in these areas**
 - **The Pittsburgh area is not as heavily impacted by doctor-attorney combinations. In addition, verdict ranges are more conservative**
- **LA metro region – the Los Angeles area has a "staged accident" environment that impacts their entire market**

Casualty and property SIU handling required file handling skills specific to each discipline. An SIU organizational design which is segmented by specific skills and functions will yield a higher level work product, results, and greater efficiencies.

SPECIALIZE CASUALTY/PROPERTY DISCIPLINES

Casualty skill requirements

Statement taking

- Ability to take a detailed statement regarding liability and/or injury-related issues

Medical terminology

- Knowledge of medical terms
- Ability to read and interpret medical reports

Liability investigation

- Develop a theory of defense on liability or injury related issues

Damage evaluation

- Evaluate injuries using resources and tools within casualty environment

Negotiation

- Ability to develop and negotiate issues specific to an injury claim

Property skill requirements

Statement taking

- Knowledge of policy application and cause and origin issues

Formal claim handling

- Ability to handle property claims pursuant to formal claim handling procedures

Estimating skills

- Certification in auto/property damage evaluation

Liability investigation

- Knowledge of homeowner lines and policy application on first/third party claims

Negotiation

- Ability to negotiate FRC vs. ACU and apply liability analysis

Effective training and communication between the SIU and the MCO is required to assure the timely identification and referral of a quality SIU file. Establishing and maintaining relationships through partnering will facilitate this process.

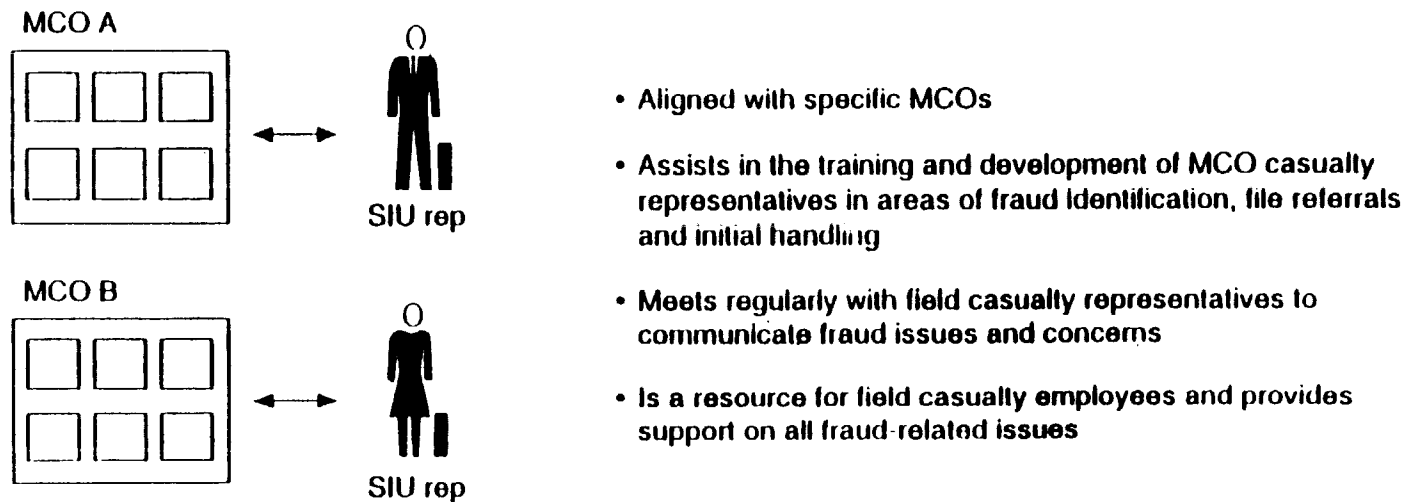
SIU/MCO PARTNERSHIP

Training and communication will enhance the following:

- Scorecard usage and discussions on "other reasons"
- Relating patterns of fraud assists the local MCO in identifying specific opportunities
- Sharing of results – building on the successes of SIU involvement
- Update local MCO personnel on the constancy changing insurance fraud environment
- Provide a link for MCO personnel to inquire/discuss specific situations residing in their market

A close interaction between the MCO and SIU is important for strengthening fraud handling activities.

SIU PARTNERING ROLES AND RESPONSIBILITIES

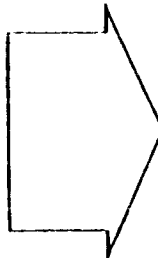


Patterns of fraudulent activity exist. Focusing on patterns is somewhat new, but is a critically important aspect of fraud deterrence. The following data, while not a proof, indicate that pattern detection and prosecution is possible.

ATTACKING PATTERNS OF FRAUD

Research evidence

Analysis of Valley Forge BI claims showed that certain doctor-attorney combinations were suspiciously frequent



Anecdotal evidence

In 1989 the U.S. Justice Department established a Federal Task Force in Philadelphia to fight insurance fraud. The task force focused on auto body shops, as well as medical providers and plaintiffs' attorneys. In November 1994 the task force indicted 19 doctors and attorneys. All of the doctors and attorneys which we identified by independent analysis were among those indictments.

<u>Doctor</u>	<u>Attorney</u>	<u>Number of combinations</u>
A	X	10
A	Y	48
B	Z	71

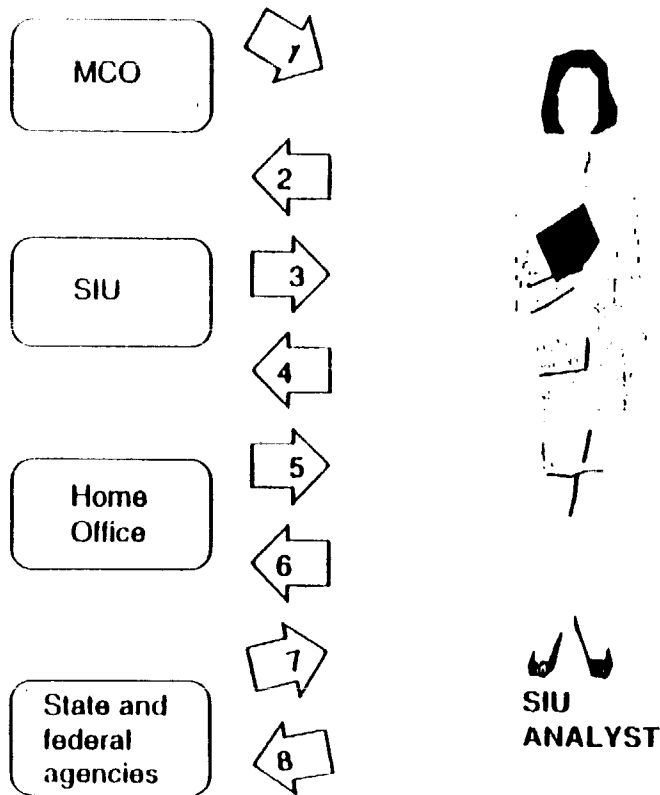
SIU analyst responsibilities can be categorized into three major areas.

SIU ANALYST OBJECTIVES

- **Seek out patterns of fraud**
 - **Analyze what is known**
 - **Identify what we do not know**
- **Investigate individuals who have been indicted**
 - **Determine whether action is warranted on files showing involvement of persons indicted**
 - **Pursue referrals for civil and criminal prosecution in appropriate cases**
- **Internal and external involvement**
 - **Liaison between claims, underwriting, and sales to educate and heighten awareness of fraud-related issues**
 - **Maintain active memberships on local and national organization specifically related to insurance fraud**
 - **Engage in public awareness campaigns to promote fraud deterrents and prevention**

The SIU requires a dedicated resource to effectively address repeated fraud activity. An SIU analyst would interact with several groups to identify and investigate patterns of fraud.

THE SIU ANALYST



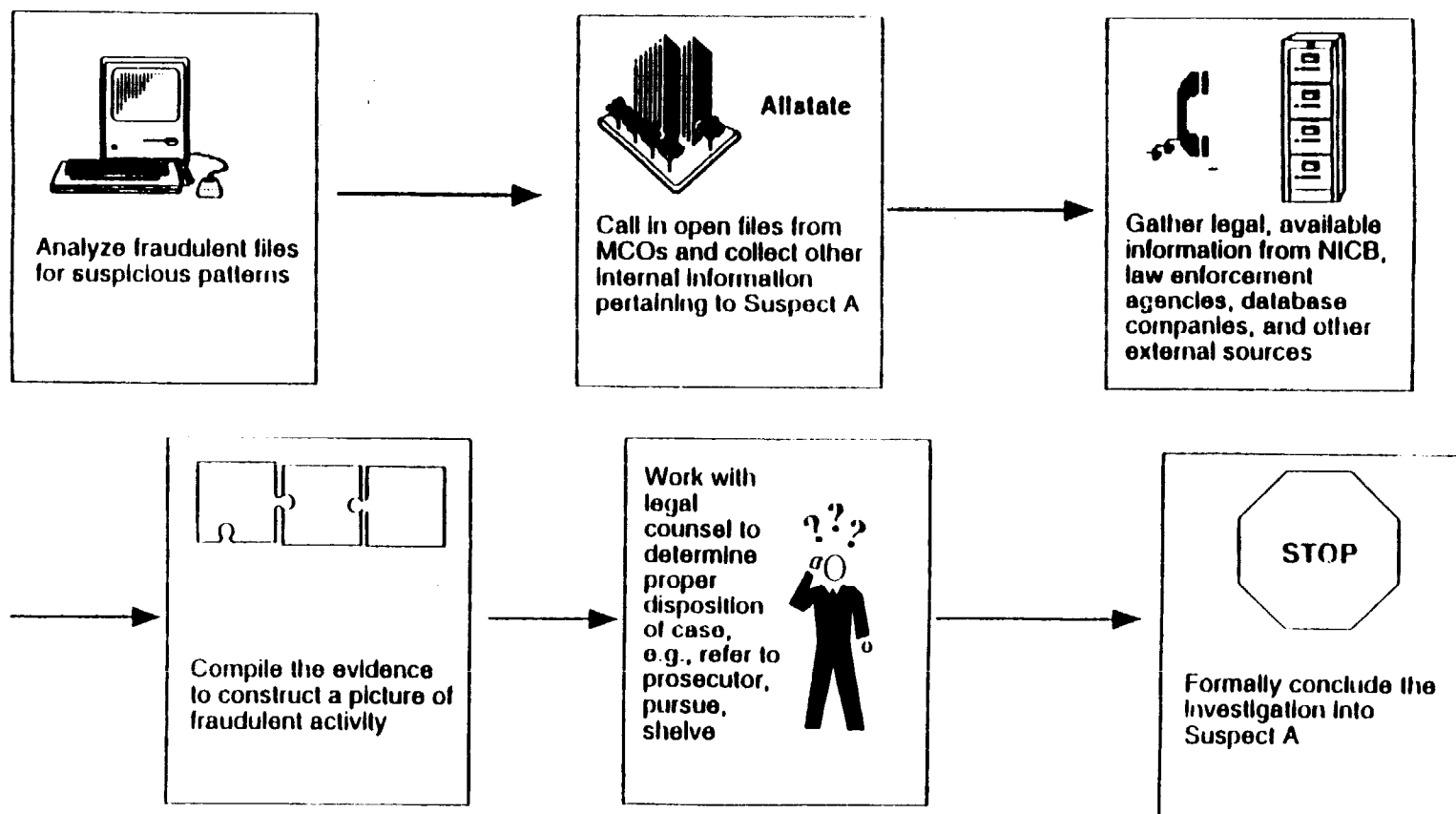
Types of activity

1. MCO referrals using scorecard
2. Requests for additional files/information; sharing of investigative results
3. Analyzes files in the SIU for repeated activity or known offenders
4. Requests information and shares investigation results
5. Provides training, guidance, and related information
6. Reports results of investigative activities and outcomes
7. Provides information on past fraudulent activity
8. Refer patterns of fraud

The SIU analyst will conduct targeted investigations based on a certain process. The time committed to each investigation will depend upon the result uncovered at each step.

SAMPLE SIU ANALYST INVESTIGATION

ILLUSTRATIVE

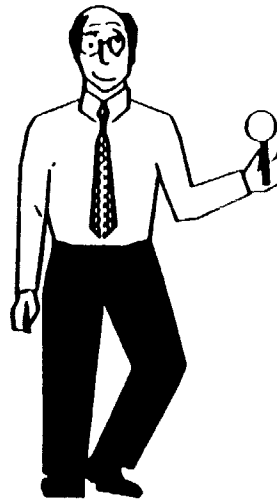


SIU analysts in both test sites have been assisting the CCPR/SIU team in defining the analyst role and specific activities.

SIU ANALYST TESTING RESULTS

Bill Scanlon (Valley Forge)

- Indictment (medical doctor)
 - Treatment not rendered (scheme)
 - Potential \$200,000 at stake
 - Anticipated outcomes
 - Conviction
 - Civil RICO action
- "Tip" on pending indictments
 - Within (6) months
 - "Strike while the iron is hot"
 - Tip came from FBI based on surveillance activity
 - FBI seeking Allstate's cooperation
- Selection of law firm for prosecution
 - Interview guide outlining key issues involved in selecting outside firm
- C400 – prior NICB referrals
- Medicare sanction report

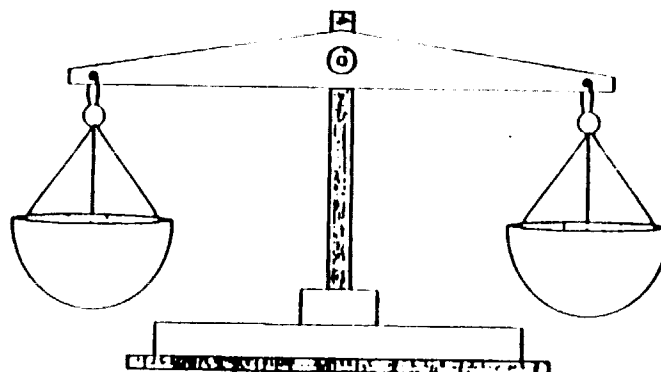


Richard Wong (LA Metro)

- Chiropractic medical bill clearinghouse scam
 - Assisting FBI in full investigation
 - 251 files involved with \$1.3 million paid out
 - Potential of \$1.0+ million in unresolved claims
- Tahoe '95 (identifying unknown patterns of fraud in the market)
 - Survey form to collect data on randomly selected closed files
 - Data loaded into P/C for analysis
 - 500+ files in database
 - Queries will lead to pattern identification
- Chiropractic training package
- C400 – prior NICB referrals
- Medicare sanction report

The SIU litigation processes were examined to ensure they support the new CCPR SIU initiatives.

SIU LITIGATION PROCESSES



Objectives

- Gain a consistent approach in the handling of litigated files
- Identify key factors driving litigation success
- Clarify the role of the claim representative during the litigation process
- Explore the possibility of specializing the SIU litigation function

Approach

Interviews

- SIU managers, claim representatives, staff counsel, and outside counsel from Valley Forge, L.A. Metro, Chicago Metro, and San Francisco regions

Closed file survey

- 96 SIU legal files from staff and outside counsel
- Random sampling of AA claims from L.A. Metro, Valley Forge, Long Island Metro, and New Jersey regions

Debriefing sessions

- CCPR team members, representatives from home office and the field

Based on the results of the closed file survey and interviews, three key areas for improvement in SIU litigation processes were identified.

SIU LITIGATION PROCESSES

Key findings	Recommendations
<ul style="list-style-type: none"> • Lack of focus and direction on litigated files • Fraud issues not clearly defined • Cases which merit trial are settled 	Segmentation
<ul style="list-style-type: none"> • Varied approaches to legal handling <ul style="list-style-type: none"> – Routine and reactive vs. – Tactical and proactive 	Legal case handling protocol
<ul style="list-style-type: none"> • Lack of meaningful interaction between SIU rep and defense counsel 	Interaction guide

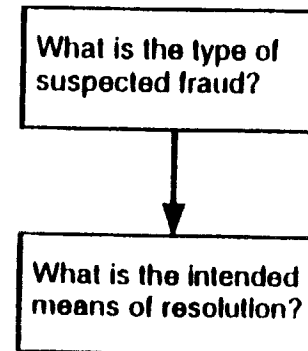
Segmentation of SIU files by type of suspected fraud and intended means of resolution is recommended to provide focus and direction in SIU litigation processes.

SEGMENTATION OF SIU FILES

Goals

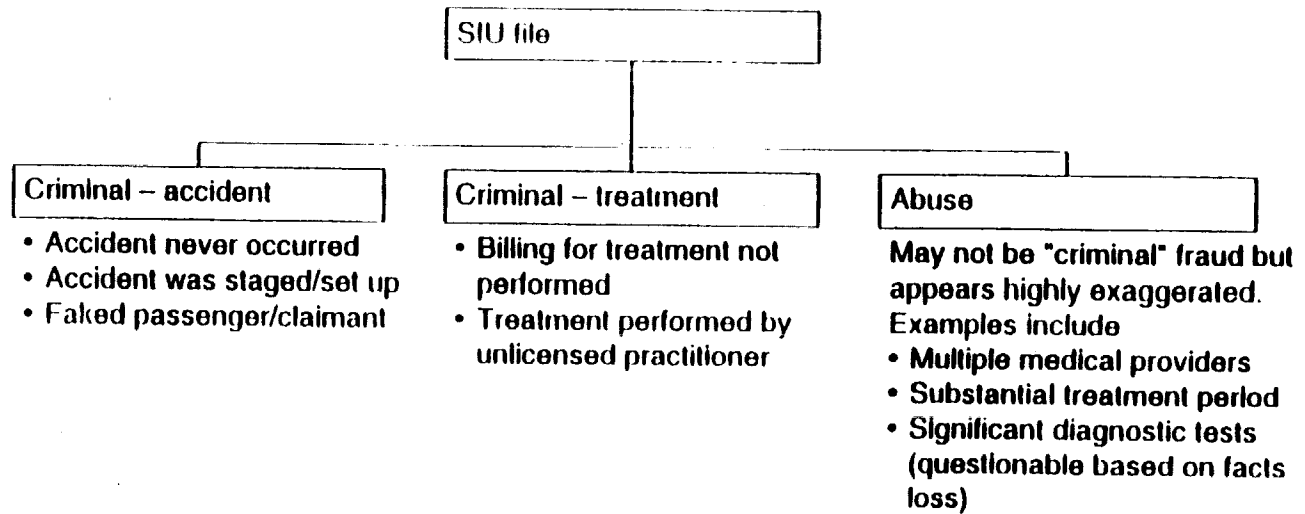
- Clearly defined fraud issues
- Tailored litigation plans addressing type of suspected fraud
- Approximate cases taken to trial
- Early settlement of cases with insufficient proof of fraud

File segmentation



A matrix has been developed to assist the claim representative in segmenting SIU files. First, the matrix segments the file by type of suspected fraud involved.

SIU FILE SEGMENTATION MATRIX – TYPE OF FRAUD



1. Classify the fraud issue(s)

Criminal – accident _____

Criminal – treatment _____

Abuse _____

2. State the facts supporting the fraud issue

The matrix then segments files by the intended means of resolution.
 Evidence/factors are evaluated to assess their impact of the defense of the case.

SIU FILE SEGMENTATION MATRIX – INTENDED MEANS OF RESOLUTION

Trial Solid, defensible case Evidence of fraud tips the scale in favor of the defense	Settle Insufficient evidence to prove fraud
-------------------------------------------------------------------------------------------------------	----------------------------------------------------------

Factors/evidence	Impact on defense	
	Favorable	Unfavorable
<ul style="list-style-type: none"> • Criminal fraud-accident – Insured credibility – Independent witness – Plaintiff credibility – Informant – Accident reconstruction expert – Claim history – prior/subsequent claims – Photographs of Insured vehicle – Photographs of plaintiff vehicle 	_____ _____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____ _____

Depending on the type and weight of the evidence, a decision is made on how to proceed.

SIU FILE SEGMENTATION MATRIX – INTENDED MEANS OF RESOLUTION (CONTINUED)

	Impact on defense	
	Favorable	Unfavorable
• Criminal fraud – treatment/abuse		
– Plaintiff credibility	_____	_____
– Medical records (Inconsistencies, etc)	_____	_____
– Billing records	_____	_____
– Handwriting analysis	_____	_____
– Treating health care provider credibility	_____	_____
– Medical provider office personnel credibility (e.g., office manager, billing clerk)	_____	_____
– Biomechanical opinion	_____	_____
– IME	_____	_____
– Medical records review	_____	_____
– Surveillance film	_____	_____
– Claim history – prior/subsequent claims	_____	_____
– Employment records	_____	_____
– License requirements	_____	_____
– Medicare background check	_____	_____
– NICB review	_____	_____
– Other _____	_____	_____

Decision _____ Trial _____ Settle _____
 Reasons for decision _____

In a limited number of cases segmented for trial or settlement, ADR should be considered based on certain factors.

SEGMENTATION OF SIU FILES – ADR

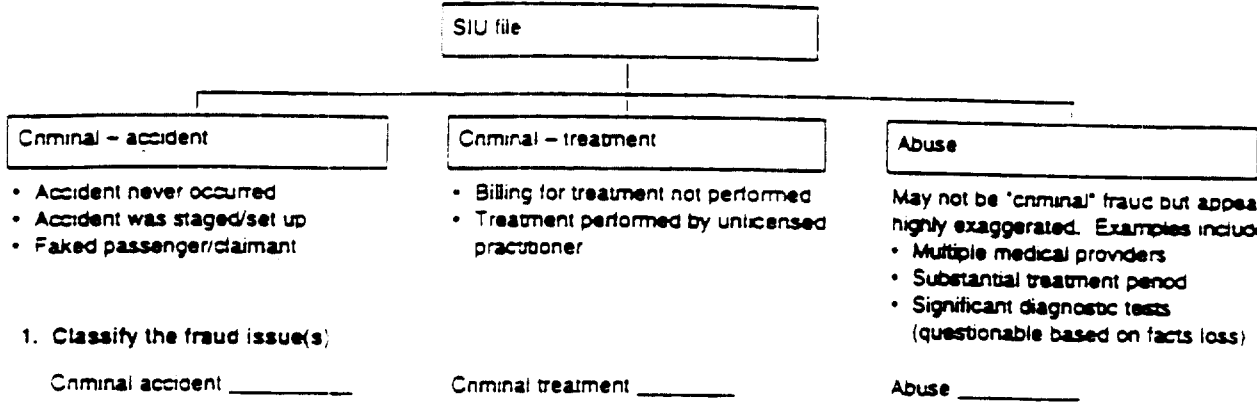
ADR (binding arbitration or mediation) may be appropriate after consideration of the following factors:

- **Trial segment**
 - **Policy limits weighed against possibility of excess exposure**
 - **Length of time to get to trial**
 - **Uncooperative/unavailable witness or defendant**
- **Settle segment**
 - **Impasse in negotiations**
 - **Policy limits weighed against possibility of excess exposure**

SIU FILE SEGMENTATION MATRIX

003032-171.2CH

Claim # _____



2. State the facts supporting the fraud issue _____

Trial
Solid, defensible case.
Evidence of fraud tips the scale in favor of the defense

Settle
Insufficient evidence to prove fraud

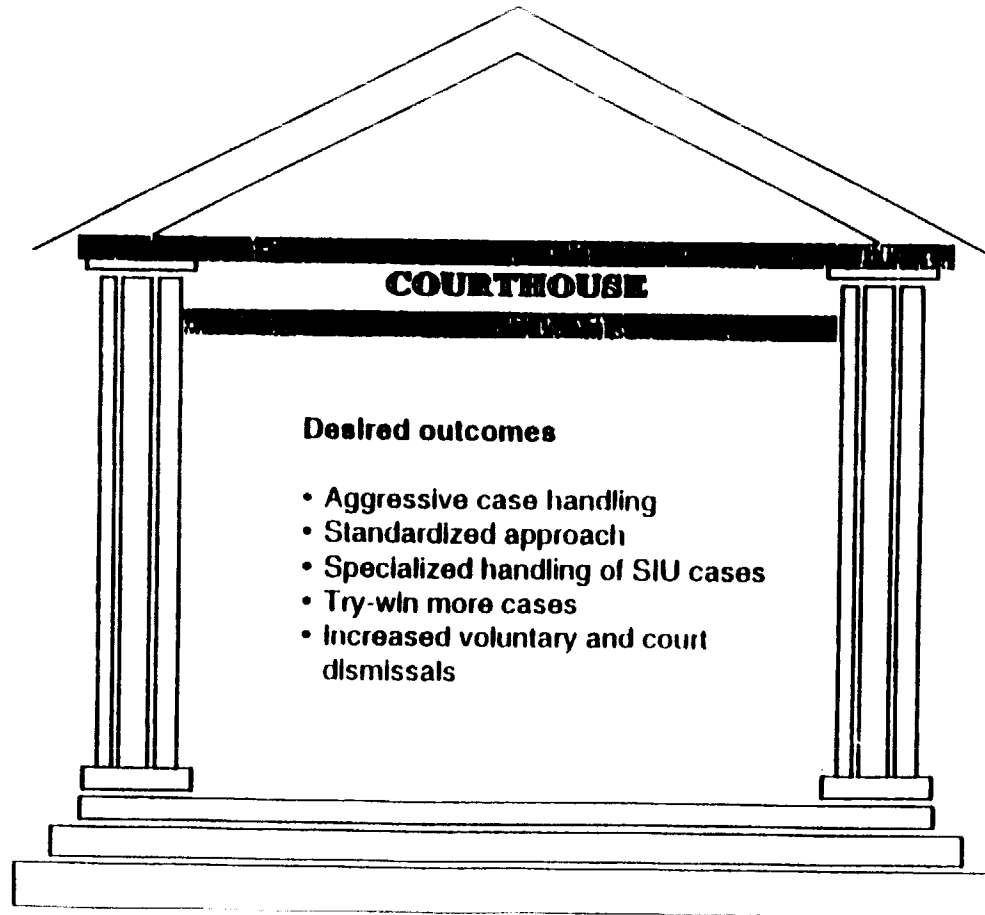
Factors/evidence	Impact on defense Favorable	Unfavorable
• Criminal fraud-accident		
- Insured credibility	_____	_____
- Independent witness	_____	_____
- Plaintiff credibility	_____	_____
- Informant	_____	_____
- Accident reconstruction expert	_____	_____
- Claim history - prior/subsequent claims	_____	_____
- Photographs of insured vehicle	_____	_____
- Photographs of plaintiff vehicle	_____	_____
• Criminal fraud-treatment/abuse		
- Plaintiff credibility	_____	_____
- Medical records (inconsistencies, etc.)	_____	_____
- Billing records	_____	_____
- Handwriting analysis	_____	_____
- Treating health care provider, credibility	_____	_____
- Medical provider personnel credibility (e.g., office manager, billing clerk)	_____	_____
- Biomechanical opinion	_____	_____
- IME	_____	_____
- Medical records review	_____	_____
- Surveillance film	_____	_____
- Claim history - prior/subsequent claims	_____	_____
- Employment records	_____	_____
- License requirements	_____	_____
- Medicare background check	_____	_____
- NICB review	_____	_____
- Other _____	_____	_____

Decision Trial _____ Settle _____

Reasons for decision _____

To promote consistent handling by defense counsel and drive successful litigation outcomes, an SIU case handling protocol was developed for staff counsel.

SIU CASE HANDLING PROTOCOL



The SIU team tailored the staff counsel protocols to differentiate the handling of SIU cases from general case handling.

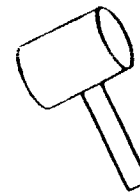
SIU CASE HANDLING PROTOCOLS – STAFF COUNSEL

Design

- Specifies attorney activities that need to occur during the SIU litigation process
- Classifies required, recommended, and optional activities based on type of suspected fraud

SIU tactics

- Verification of SIU case segmentation
- Face-to-face interview with insured
- Early focused plaintiff deposition
- Special interrogation following deposition
- Aggressive motion requests

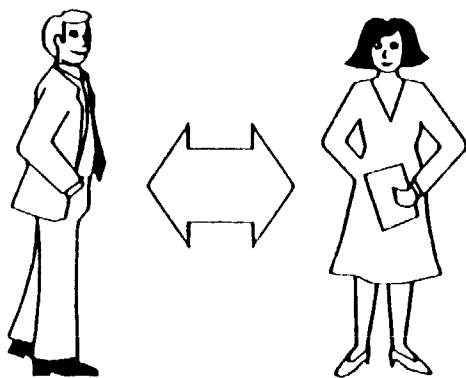


Meaningful interaction between the SIU rep and defense counsel is recommended to promote a relationship geared to successful file handling.

SIU CLAIM REP – DEFENSE ATTORNEY INTERACTION

Present situation

- Litigation plans are not file-specific
- Claim representatives are often reactive rather than proactive in communicating with defense counsel
- Defense counsel quality and style often determines how a suit is handled, not the merits of the case



Claim rep

Defense counsel

Desired situation

- Early and consistent pattern of dialogue between the SIU claim rep and defense counsel
- SIU claim rep proactivity in driving a successful litigation outcome
- Mutual understanding of legal issues
- Uniform approach to claim rep-defense counsel interaction
- Solid litigation plans based on relevant facts and issues

LITIGATION INTERACTION GUIDELINE

INITIAL CONFERENCE (within 10 days of suit referral)

Discuss

- Fraud issue (theme)
- Agreement on segmentation
- Status of investigation
- Discovery
 - Depositions
 - Special interrogatories
 - Necessity of experts
 - Face-to-face interview with insured
- Schedule next point-of-contact

SUBSEQUENT CONTACTS

Discuss

- Revisit fraud issue
- Status of investigation
- Discovery
- Current file disposition efforts

- Subsequent contacts should occur every (30) days or when "value added activity" takes place. "Value added activity" includes when any significant event occurs (e.g., deposition, court date, plaintiff response to written discovery, IME, insured/witness interview). Also included is any new information received from any source that impacts the fraud issue, segmentation or case value

It is very important that SIU personnel have the high level of skills and training necessary to operate in the subtle and ever-changing fraud environment.

SIU ORGANIZATIONAL POSITIONS

Job title or function	Description
Manager	Oversee SIU activities; manage personnel; liaison with industry and state agencies; coordinate with other Allstate units to continuously improve SIU operations
SIU Analyst	Detect and deter conspiratorial fraud; maintains the "whole" picture; keeps abreast of changing fraud schemes; drives legal counsel to support a coordinated litigation strategy to impact fraud offenders; maintains contact with state insurance fraud bureaus and industry anti-fraud organizations; actively works with special prosecutors
Investigator/Negotiator	Investigates suspected fraudulent claims in a thorough manner; resolves suspected fraudulent claims through denial, reduced-value payments, or referral back to MCO; trains and maintains contact with MCO claim representatives; performs special projects as directed by the SIU analyst
Litigation Specialist	SIU representative who shepherds suspected fraudulent claims through litigation to achieve outcomes consistent with a broader market-oriented litigation strategy
Support Staff Personnel	Provides administrative aid to SIU representatives; orders reports, handles correspondence, updates computer information systems

Consideration should be given to the installation of a specialist in the SIU devoted to the handling of all litigated cases.

SIU LITIGATION SPECIALIST -- SOME ISSUES TO CONSIDER

Pro

- Single point of contact for attorney
- Some claim reps do not have the skills needed to effectively work with legal issues
- Focusing litigation activities with specialists strengthening the likelihood of a consistent, standardized approach
- Specialists become experts in an aspect of SIU file handling that requires aggressive, specialized tactics



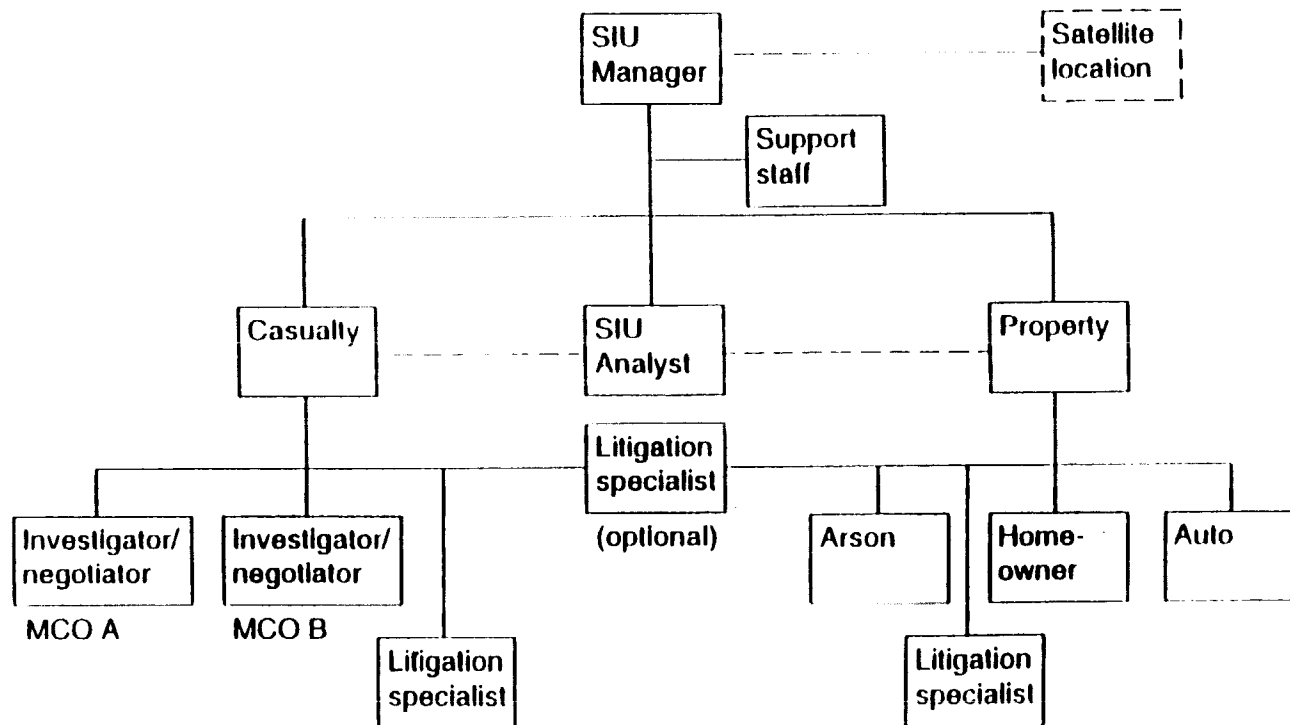
Con

- Hinders interaction between some SIU reps and legal staff
- Extra file transfer may break case continuity
- One less investigator in the SIU
- May impact job satisfaction of SIU reps that controlled the handling of the file priority litigation

The following is an example of a large SIU office which has been centralized to handle a large metropolitan market. The casualty and property designators do not necessarily require UCM positions. Depending on workload, litigation specialists may handle both casualty and property files. Note that the MCO indicator next to the casualty investigators suggests a liaison, not a physical location.

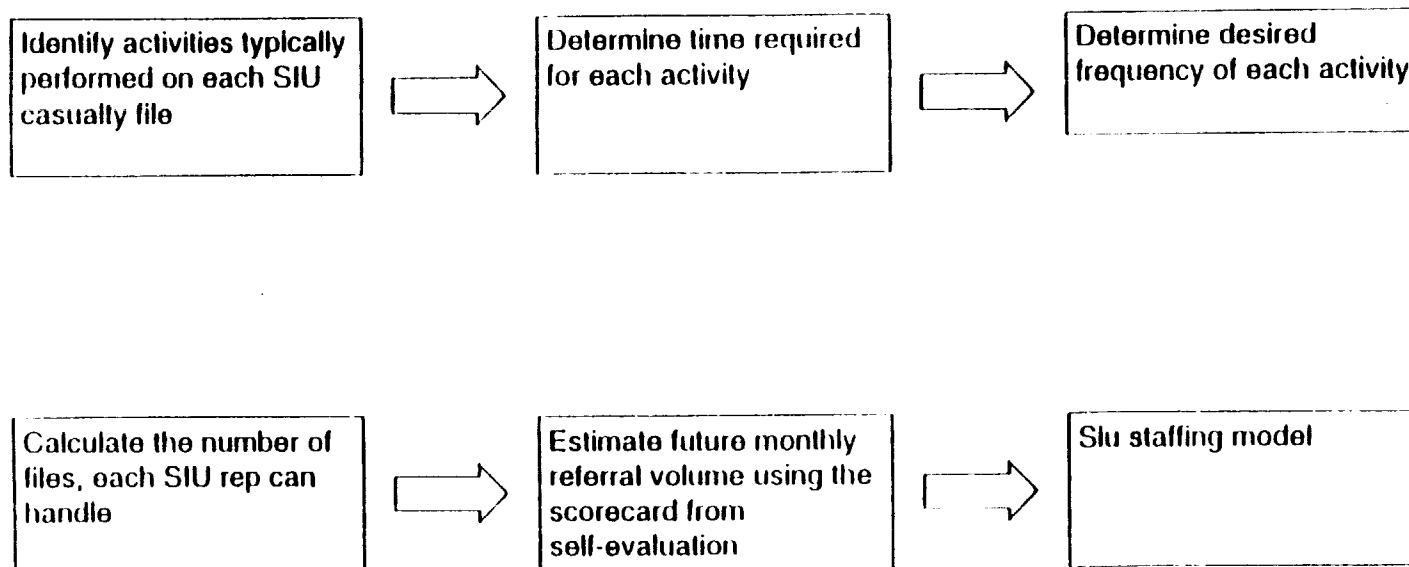
SPECIAL INVESTIGATION UNIT ORGANIZATIONAL CHART

*ILLUSTRATIVE -
LARGE METRO AREA*



The SIU team followed a process similar to casualty CCPR in determining SIU staffing needs.

DEVELOPING THE STAFFING MODEL IN THE SIU



To develop a casualty staffing model for SIUs, SWA/CWA activity studies were conducted in both Dollar 1 and Threshold states.

SIU CASUALTY STAFFING MODEL APPROXIMATE TIME ALLOCATIONS

Hours

Process	Subjective/represented			
	Dollar 1 states		Threshold states	
	CWA	CWP	CWA	CWP
Contact/negotiation	4.0	2.25	4.50	2.75
Liability Investigation	0.50	0.50	0.75	0.75
Damage Investigation	9.00	9.00	10.25	10.25
Evaluation	2.00	0.50	2.50	1.75
Other file activities	1.00	0.75	1.00	1.00
TOTAL (not in suit)	16.50	12.00	19.00	16.50
Suits	15.00	15.00	15.00	15.00
TOTAL (In suit)	31.50	28.00	34.00	31.50

In order to accurately determine the results of the redesigned SIU activities, the following measurement forms will be tracked by claims managers and may be used to measure performance.

SIU MEASUREMENTS

Measurement form	Purpose/use	Responsibility
MCO file referral summary	A form to track net file transfers to SIU to ensure proper file transfers are occurring; the SIUM submits monthly to TCM and Home Office; the baseline transfer rate is set by Home Office to reflect the opportunity available; Home Office will publish a summary of results with respect to variance from baseline and send to RVPs	SIUM; Home Office SIUM
Dollars not paid	Objectively captures the quantifiable benefit of SIU activity; the SIUM submits monthly to TCM and Home Office; all regions will use a common, standardized calculation to allow comparison across regions; each item/claimant coverage in the SIU is compared to the originating MCO's item/claimant baseline severity to ensure accuracy	SIUM; Home Office SIUM
Activity addressing patterns of fraud	Documents investigations and ensures follow-up activity; SIU Analyst submits periodically to SIUM and Home Office; can be used to develop Best Practices and support an ongoing Analyst continuing education program	SIU Analyst; SIUM; Home Office SIUM

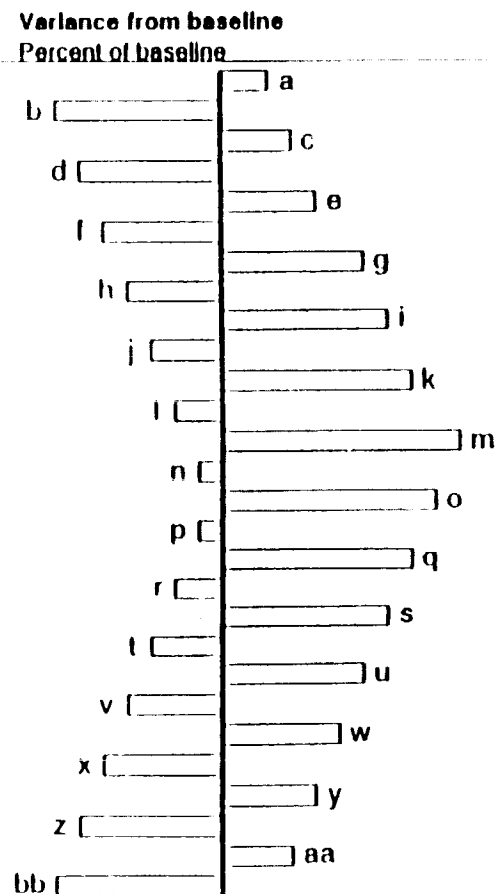
MCO CASUALTY REFERRAL SUMMARY FOR (MONTH/YEAR)**ILLUSTRATIVE**

MCO	Casualty files transferred	Casualty files returned	Casualty files transferred net	Casualty files opened	Net casualty transfer percent	Baseline transfer percent
(List all of the MCO codes in your region)	(Number of casualty files sent to SIU for this month)	(Number of casualty files returned to the MCO without any SIU action taken; does not include return of dangling coverages)	(Number of casualty files assigned into the SIU)	(Number of casualty files opened in the MCO)	(Net casualty transfers to SIU divided by MCO monthly casualty receipts)	(At first, this is the percent predicted by the model. After a year of scorecard operation, this should be the last 12 month average)

SIU FILE TRANSFERS FOR (MONTH/YEAR)

ILLUSTRATIVE

SIU	Baseline Percent of all casualty
Charlotte	
Chicago Metro	
Dallas	
Houston	
Indianapolis	
Kansas City	
Long Island Metro	
Michigan	
Milwaukee	
New England	
New Jersey	
New York Liberty	
Rochester	
Valley Forge	
Atlanta	
Capital	
Denver	
Florida Atlantic	
Florida Gulf	
Jackson	
LA Metro	
Nashville	
Ohio	
Phoenix	
Sacramento	
San Francisco	
Seattle	
Southern California	



We are testing a new approach to calculating SIU economic benefit by using item and claimant measurements. Note, however, that there is an inherent delay of 18 to 24 months between file identification/investigation and conclusion.

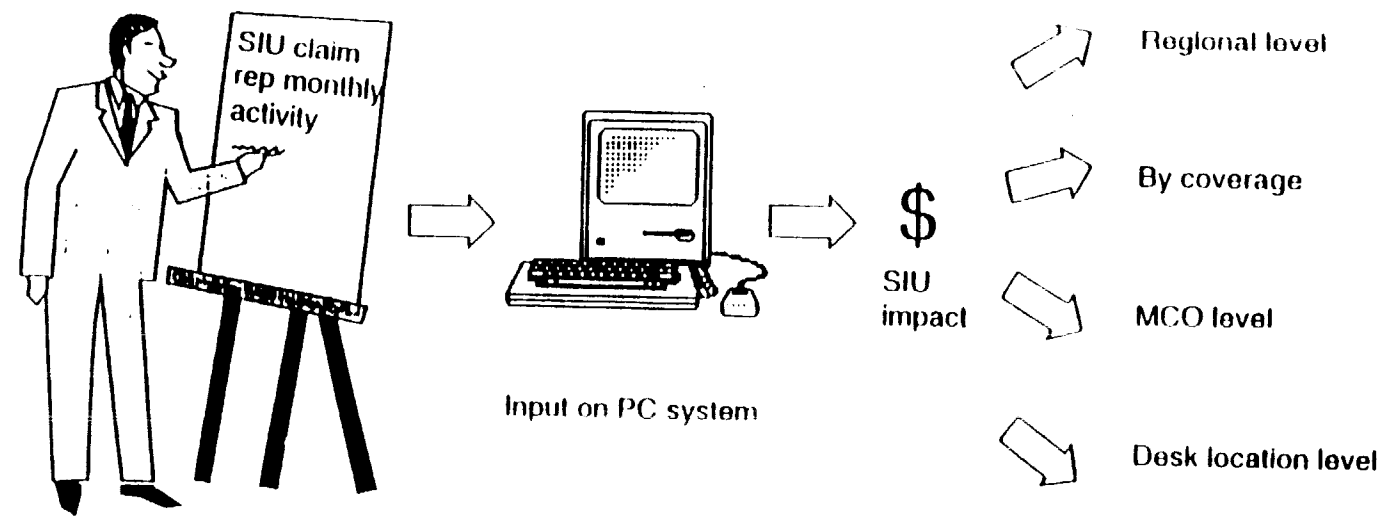
ITEM AND CLAIMANT MEASUREMENT

ILLUSTRATIVE

Claim number	MCO	Item/claimant	Dollars paid	Baseline severity by Injury type	Impact \$ \$	
1234567890	123	AA02	3,500	4,700	1,200	
					Total	Month/YTD

The item/claimant measurement process will objectively capture the economic benefit of SIU activity. A reporting procedure has been developed to ensure timeliness and accuracy in the results.

ITEM/CLAIMANT MEASUREMENT REPORTING PROCEDURE



BIAUM ITEM/CLAIMANT CLOSURE LOG

5/7/96

RECORD	SRJ REP	DATE CLOSED	CLAIM NUMBER	MGO	COVERAGE	ID	SRJ \$ PAID	EXPENSES	TOTAL \$ PAID	BASELINE	SRJ \$ NOT PAID
704	KNK	4/1/96	2781061026	278.1	AA	02	00.00	01,160.00	01,160.00	07,234.49	08,074.49
705	KNK	4/1/96	2781061026	278.1	AA	03	00.00	00.00	00.00	07,234.49	07,234.49
706	KNK	4/1/96	2781061026	278.1	AA	04	00.00	00.00	00.00	07,234.49	07,234.49
707	KNK	4/1/96	2781061026	278.1	AA	06	00.00	00.00	00.00	07,234.49	07,234.49
708	KNK	4/1/96	2781061026	278.1	AA	08	00.00	00.00	00.00	07,234.49	07,234.49
709	KNK	4/1/96	1342000232	134.1	AA	02	00.00	00.00	00.00	08,287.99	08,287.99
710	KNK	4/1/96	1071667032	107.1	AA	02	00.00	00.00	00.00	08,600.47	08,600.47
711	KNK	4/1/96	1071667032	107.1	SS	01	00.00	00.00	00.00	08,600.47	08,600.47
712	KNK	4/1/96	1071667032	107.1	SS	02	00.00	00.00	00.00	08,600.47	08,600.47
713	KNK	4/1/96	1071667032	107.1	SS	03	00.00	00.00	00.00	08,600.47	08,600.47
714	KNK	4/1/96	1071661207	107.1	AA	03	00.00	0888.50	0888.50	08,600.47	08,600.47
716	KNK	4/1/96	1342000739	134.1	AA	02	00.00	0431.78	0431.78	08,287.99	08,668.24
716	KNK	4/1/96	1342000739	134.1	AA	06	00.00	00.00	00.00	08,287.99	08,287.99
717	KNK	4/1/96	1342000739	134.1	AA	08	00.00	00.00	00.00	08,287.99	08,287.99
718	KNK	4/1/96	1342000739	134.1	AA	07	00.00	00.00	00.00	08,287.99	08,287.99
719	KNK	4/1/96	7190302427	719.1	AA	04	00.00	00.00	00.00	08,983.31	08,983.31
720	KNK	4/1/96	7190302427	719.1	SS	02	00.00	0522.01	0522.01	08,983.31	08,460.70
721	KNK	4/1/96	1071029400	107.1	AA	03	00.00	01,932.44	01,932.44	08,600.47	04,668.03
722	KNK	4/1/96	1071029400	107.1	AA	04	00.00	00.00	00.00	08,600.47	08,600.47
723	KNK	4/1/96	2721024246	272.1	AA	03	00.00	00.00	00.00	08,489.90	08,489.90
724	KNK	4/1/96	2721024246	272.1	AA	04	00.00	00.00	00.00	08,489.90	08,489.90
726	KNK	4/1/96	2721024246	272.1	SS	01	00.00	01,457.26	01,457.26	08,489.90	08,032.65
726	KNK	4/1/96	2721024246	272.1	SS	03	00.00	00.00	00.00	08,489.90	08,489.90
727	KNK	4/1/96	2721024246	272.1	SS	04	00.00	00.00	00.00	08,489.90	08,489.90
728	KNK	4/1/96	2721002720	272.1	AA	03	00.00	01,848.66	01,848.66	08,489.90	04,643.26
729	KNK	4/1/96	2721002720	272.1	AA	04	00.00	00.00	00.00	08,489.90	08,489.90
730	KNK	4/1/96	2721002720	272.1	AA	06	00.00	00.00	00.00	08,489.90	08,489.90
731	KNK	4/1/96	7190220471	719.1	AA	03	00.00	0104.00	0104.00	08,983.31	08,879.31
732	KNK	4/1/96	7190220471	719.1	AA	04	00.00	00.00	00.00	08,983.31	08,983.31
733	KNK	4/1/96	7190220471	719.1	AA	07	00.00	00.00	00.00	08,983.31	08,983.31
734	KNK	4/1/96	7190220471	719.1	AA	08	00.00	00.00	00.00	08,983.31	08,983.31
735	KNK	4/1/96	7190220471	719.1	AA	09	00.00	00.00	00.00	08,983.31	08,983.31
736	KNK	4/1/96	2733470306	088.1	AA	02	00.00	0183.50	0183.50	08,728.59	08,546.09
737	KNK	4/1/96	2733470306	088.1	AA	03	00.00	00.00	00.00	08,728.59	08,728.59
738	KNK	4/1/96	2733470306	088.1	AA	04	00.00	00.00	00.00	08,728.59	08,728.59
739	MEP	4/1/96	2721020600	272.1	AA	02	00.00	0672.00	0672.00	08,489.90	08,917.90
740	MEP	4/1/96	2721020600	272.1	AA	03	00.00	00.00	00.00	08,489.90	08,489.90
741	MEP	4/1/96	2701043040	270.1	AA	02	00.00	02,765.00	02,765.00	07,234.49	04,469.49
742	MEP	4/1/96	1071066972	107.1	AA	02	00.00	02,040.00	02,040.00	08,600.47	04,651.47
743	MEP	4/1/96	1071066972	107.1	AA	03	00.00	00.00	00.00	08,600.47	08,600.47
744	MEP	4/1/96	2702000096	270.1	AA	02	00.00	0418.00	0418.00	07,234.49	08,019.49
745	MEP	4/1/96	2702000096	270.1	AA	03	00.00	00.00	00.00	07,234.49	07,234.49
740	KPT	4/11/96	1071040102	107.1	AA	02	00.00	0268.00	0268.00	08,600.47	08,336.47

**REGIONAL SIU - AA/SS SUMMARY
(MONTH) 1995**

COVERAGE	COVERAGE COUNT	TOTAL LOSS & PAID	TOTAL EXPENSE & PAID	TOTAL LOSS and EXPENSE & PAID	AVERAGE LOSS and EXPENSE & PAID	REGIONAL BASELINE	AVERAGE SUI & NOT PAID	TOTAL REGIONAL BASELINE	TOTAL SUI & NOT PAID
AA	789	\$950,000.50	\$282,100.41	\$1,212,715.01	\$1,537.03	\$0,728.69	\$5,181.56	\$5,273,583.93	\$4,060,878.02
SS	280	\$538,395.15	\$135,261.71	\$683,660.08	\$2,425.37	\$0,728.59	\$4,303.22	\$1,008,150.20	\$1,214,483.34
TOTAL	1078	\$1,488,064.85	\$417,368.12	\$1,908,372.77	\$1,773.37	\$0,728.09	\$4,868.22	\$7,181,744.13	\$5,276,371.36

**SIU - INDIVIDUAL MCO SUMMARY OF AA/SS COVERAGE
(MONTH) 1995**

MCO	MC COVERAGES	TOTAL LOSS \$ PAID	AVERAGE LOSS \$ PAID	TOTAL SMI EXPENSES	AVERAGE EXPENSE	TOTAL SMI \$ PAID	AVERAGE SMI \$ PAID	AVERAGE BASELINE	TOTAL SMI \$ NOT PAID	AVG SMI \$ NOT PAID
111	303	\$482,013.00	\$1,590.80	\$129,465.88	\$427.28	\$911,478.88	\$2,018.08	\$8,800.47	\$1,388,463.65	\$4,562.39
222	34	\$41,000.00	\$1,205.88	\$13,424.42	\$394.84	\$54,424.42	\$1,600.72	\$8,983.31	\$183,008.12	\$5,382.59
333	281	\$378,902.15	\$1,451.73	\$100,681.25	\$365.78	\$479,683.40	\$1,837.48	\$7,234.48	\$1,408,818.48	\$5,387.01
444	148	\$141,771.00	\$971.03	\$47,188.18	\$323.18	\$189,957.10	\$1,294.23	\$8,488.90	\$758,568.30	\$5,185.67
666	269	\$323,224.74	\$1,201.68	\$99,221.31	\$388.85	\$422,446.05	\$1,570.43	\$8,287.88	\$1,288,023.28	\$4,717.68
888	62	\$122,093.78	\$1,968.25	\$27,389.18	\$441.78	\$149,482.94	\$2,411.02	\$8,728.59	\$287,689.64	\$4,317.57
TOTAL	1878	\$1,489,004.85	\$1,388.12	\$417,368.12	\$388.25	\$1,908,372.77	\$1,773.37	\$8,680.89	\$8,278,371.38	\$4,987.32

SIU REP - AA/SS CLOSURE SUMMARY - (MONTH) 1995

SIU REP	COVERAGE	TOTAL LOSS \$ PAID	AVERAGE LOSS \$ PAID	TOTAL SUI EXPENSE	AVERAGE SUI EXPENSE	TOTAL SUI \$ PAID	AVERAGE SUI \$ PAID	TOTAL SUI \$ NOT PAID	AVERAGE SUI \$ NOT PAID
AAA	107	\$837,143.00	\$5,012.83	\$31,889.12	\$310.71	\$889,032.12	\$5,323.65	\$230,871.47	\$1,387.41
BBB	65	\$0.00	\$0.00	\$10,688.65	\$164.48	\$10,688.65	\$164.48	\$354,803.83	\$8,447.34
CCC	107	\$0.00	\$0.00	\$24,679.53	\$229.72	\$24,679.53	\$229.72	\$888,856.38	\$6,417.34
DDD	108	\$44,380.00	\$410.83	\$45,145.87	\$418.02	\$89,525.87	\$828.84	\$835,112.03	\$5,880.67
EEE	138	\$2,250.00	\$18.30	\$22,182.62	\$160.82	\$24,442.52	\$177.12	\$884,708.87	\$8,483.40
FFF	37	\$3,800.00	\$102.70	\$10,383.89	\$280.64	\$14,183.68	\$383.34	\$235,218.21	\$6,367.28
GGG	77	\$118,828.78	\$1,614.88	\$38,339.85	\$471.85	\$162,988.71	\$1,868.81	\$381,422.83	\$4,993.80
HHH	100	\$134,869.89	\$1,348.70	\$83,308.20	\$833.08	\$188,178.09	\$1,881.78	\$478,216.42	\$4,797.18
II	117	\$201,438.00	\$1,721.88	\$88,878.37	\$588.89	\$270,114.37	\$2,308.87	\$508,802.78	\$4,355.68
JJJ	133	\$145,497.00	\$1,093.88	\$85,138.88	\$489.77	\$210,635.88	\$1,583.73	\$888,587.70	\$4,868.80
KKK	30	\$1,000.00	\$33.33	\$18,583.44	\$619.78	\$19,583.44	\$653.11	\$188,774.84	\$8,282.48
LLL	6	\$2,000.00	\$333.33	\$422.00	\$70.33	\$2,422.00	\$403.67	\$38,886.84	\$8,431.01
TOTAL	1076	\$1,489,004.65	\$1,385.12	\$417,348.12	\$388.26	\$1,888,372.77	\$1,773.37	\$4,276,371.38	\$4,887.32

The test site SIU managers are establishing criteria for performance management assessment for the SIU analyst position. An evaluation model will document the performance of the analyst and overall impact of analyst activities regarding fraud deterrence.

PRELIMINARY SIU ANALYST EVALUATION MODEL

ILLUSTRATIVE

- Section 1 – description of investigation(s) under way
- Section 2 – results of investigations closed (describe results – e.g., closed due to lack of evidence; referral to state/federal agency; active litigation – for investigations ended since last report)
- Section 3 – status of case referrals and litigation (describe the follow-up activities on all case which have been previously referred to a state/federal agency or are in litigation)

The participation of claims managers is crucial to the continued success of SIU operations. Unless the SIU activity measures are understood and properly used by managers to measure performance trends, counsel personnel, and develop action plans, they then become just another wasteful exercise in paperwork.

MANAGEMENT ROLES IN SIU MEASUREMENTS

- | | |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Home office SIUM | <ul style="list-style-type: none"> • Uses the SIU analyst activity reports to identify changing patterns of fraud, develop training programs, share best practices, push deterrence activities to the next step • Actively sets file transfer baselines to reflect the most up-to-date information on existing potential fraud in each region • Prepares and publishes aggregate reports and follows up on problem indications |
| RVP | <ul style="list-style-type: none"> • Uses the file transfer report to benchmark his/her region's performance and ensure proper SIU activity is occurring |
| TCM/CDM | <ul style="list-style-type: none"> • Uses the analyst report to measure the SIUM's effectiveness in deterring fraud and to push follow-up actions • Uses the file transfer report to ensure MCOs and the SIU are properly coordinating fraud identification activities • Uses the dollars not paid report to gauge the SIU's impact on regional claims operations |
| SIUM | <ul style="list-style-type: none"> • Actively uses all SIU measures to guide the management, training, and development of the unit • Uses the analyst report to help push regulatory and law enforcement investigation and prosecution of fraud perpetrators |
| MCM/CCM | <ul style="list-style-type: none"> • Watches the file transfer rate to ensure proper attention is paid to fraud identification activities, as well as an indication of changes in fraudulent activity in his/her market |

APPENDIX

SAMPLE FILE

SIU CASUALTY TRANSFER GUIDE
CASE STUDY EXERCISE

OBJECTIVE: Train casualty claim employees on the application of the SIU casualty transfer guide using a sample file

INSTRUCTIONS FOR PARTICIPANTS:

Review the transfer guide and become familiar with all of the indicators listed

Review the sample claim file to identify common bodily injury fraud indicators

Circle all points for each indicator uncovered in the sample claim

Add the total points and record the result on the top of the scorecard

The point total should equal 170 points. The fraud indicators that apply to the sample case are:

- Minor impact
- Claimant had a BI claim involving more than E/R treatment
- Multiple injured claimants
- Unrelated claimants have same doctor and attorney
- Treatment started more than 15 days from date of loss

NOTE: All names, addresses and other identifying information are fictitious

Total points (in pencil) 170

Date score reaches 100- _____

Claim No. _____

SIU CASUALTY TRANSFER GUIDE

(CIRCLE ALL POINTS THAT APPLY)

- 100 INSURED REPORTS ACCIDENT DID NOT HAPPEN
- 100 INFORMANT NOTIFIES ALLSTATE OF SUSPECTED FRAUD
- 100 UNEXPLAINED INCONSISTENT DAMAGES
- SEVERITY OF IMPACT (MINOR TO ONE-MAJOR TO ANOTHER)
 - LOCATION (POINTS OF IMPACT)
- 100 SYSTEM INFORMATION INDICATIVE OF SUSPECTED FRAUD
- PARTY TO LOSS INVOLVED IN PRIOR NICB REFERRAL
 - INSURED/CLAIMANT HAD PRIOR ALLSTATE CLAIM HISTORY THAT WARRANTS FURTHER INVESTIGATION BY THE SIU
- 100 INDICATION THAT ACCIDENT WAS A SET-UP
- STAGED ACCIDENT
 - JUMP-IN
 - SUSPICIOUS HIT AND RUN
- 100 TREATMENT MAY NOT HAVE OCCURRED. INDICATION THAT CLAIMANT DID NOT RECEIVE ALL OF THE TREATMENT DESCRIBED IN THE SPECIALS
- 30 CLAIM REPORTED 20 DAYS OR MORE AFTER DATE OF LOSS
- 20 MINOR IMPACT (GENERALLY LESS THAN \$1000 DAMAGE ON ANY VEHICLE)
- 40 CLAIMANT HAD A BI CLAIM INVOLVING MORE THAN EMERGENCY ROOM TREATMENT (WITHIN THE PAST 3 YEARS OR SUBSEQUENT TO THE LOSS)
- 10 LOSS WITHIN FIRST 90 DAYS OF NEW POLICY (FIRST TIME ALLSTATE AUTO POLICYHOLDER)

MULTIPLE CLAIMANTS

- 30 THERE ARE MULTIPLE INJURED CLAIMANTS
- 50 UNRELATED CLAIMANTS HAVE SAME DOCTOR AND SAME ATTORNEY
- 25 UNRELATED CLAIMANTS HAVE SAME DOCTOR BUT NOT SAME ATTORNEY
- 25 UNRELATED CLAIMANTS HAVE SAME ATTORNEY BUT NOT SAME DOCTOR
- SELECT ONE

TREATMENT

- 30 TREATMENT STARTED MORE THAN 15 DAYS FROM DATE OF LOSS (EXCLUDING ANY INITIAL EMERGENCY ROOM TREATMENT)

OTHER REASONS (DISCUSS WITH SIU REP AND/OR UCM)

(FILE QUALIFIES AS A REFERRAL WHEN TRANSFER GUIDE TOTALS 100 POINTS OR MORE)

CASUALTY SIU
BEST PRACTICES GUIDELINES

HOW SHOULD THIS BEST PRACTICES DOCUMENT BE USED?

This document should be used as a guide to establish consistent handling procedures pertaining to potentially fraudulent casualty claims. However, it should be noted that no one set of policies and procedures will be the answer to combatting fraud and abuse. Through constant evaluation of your own distinct market trends, laws, regulations and experiences you should adopt and adapt these guidelines to ensure that your claim operation is effectively combatting fraud. Its intent is to add further insight into effective SIU claim handling techniques.

As you adopt and adapt these Best Practices, you must be certain your actions comply with the following as they specifically pertain to your market:

- Claim Policy Practices & Procedures (CPP&P) Manual
- Insurance laws, regulations, bulletins and other directives
- State Fraud Statutes
- State Immunity Statutes
- Local case law

If you believe that any policy, procedure, or measurement practice listed conflicts with the above, please contact the Home Office SIU Manager or Managing Claim Attorney.

CASUALTY BEST PRACTICES FILE HANDLING GUIDELINES

DEFINITION OF TERMS:

- CPP&P** The Best Practice must comply with the Claim Policies Practices & Procedures (CPP&P) Manual requirement (s).
- REQUIRED** The Best Practice must be used and the results recorded in the file. If the claim representative chooses not to use the Best Practice, the diary must include clear documentation as to why a required Best Practice was not used on the file. Exceptions to "required" Best Practices will be rare.
- RECOMMENDED** Under common circumstances, this is a recommended Best Practice. If the claim representative chooses not to use the Best Practice, the diary must include clear documentation as to why a recommended Best Practice was not used on the file.

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	3RD PARTY CLAIMANT
SIU TRANSFERS	SIU MANAGER OR DESIGNEE MUST REVIEW ALL TRANSFERS TO ENSURE THAT THEY WARRANT SIU HANDLING.	REQUIRED	REQUIRED
	AFTER A FILE IS ACCEPTED FOR TRANSFER BY THE SIU, THE MCO CODE MUST BE CHANGED TO REFLECT THE SIU MCO CODE.	REQUIRED	REQUIRED
FILE ASSIGNMENT	CLEARLY IDENTIFY AND DOCUMENT THE FRAUD ISSUE AND THE DEVELOPMENT OF AN INVESTIGATION PLAN.	REQUIRED	REQUIRED
CONTACT REQUIREMENTS	AS SOON AS POSSIBLE UPON RECEIPT OF THE FILE INTO THE SIU, A CONVERSATION WITH THE CLAIMANT OR ATTORNEY (IF REPRESENTED) MUST BE CONDUCTED. THIS CONVERSATION WILL INCLUDE: <ul style="list-style-type: none"> - INTRODUCTION OF THE NEW CLAIM HANDLER - IDENTIFICATION OF INFORMATION NEEDED TO PROCESS THE CLAIM WHICH MAY INCLUDE: <ul style="list-style-type: none"> - STATEMENTS FROM ALL INVOLVED PARTIES - RECEIPT OF THE POLICE REPORT - INSPECTION OF ALL INVOLVED VEHICLES - C1094 AUTHORIZATION - SPECIALS 	REQUIRED	REQUIRED

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	3RD PARTY CLAIMANT
CONTACT REQUIREMENTS CONTINUED	FOLLOWING THIS CONVERSATION, A PROMPT FOLLOW-UP WRITTEN ACKNOWLEDGEMENT CONCERNING THIS CONVERSATION MUST BE SENT.	REQUIRED	REQUIRED
RORs	RORs MUST BE APPROVED IN COMPLIANCE WITH CPP&P MANUAL REQUIREMENTS.	CPP&P	NOT APPLICABLE
STATEMENT REQUIREMENTS	<p>THE PREFERRED STATEMENT IS AN IN-PERSON RECORDED STATEMENT WHICH SHOULD BE TAKEN AT A TIME MOST BENEFICIAL TO THE FILE DEVELOPMENT. EVALUATE AND DOCUMENT THE PERSON'S CREDIBILITY AS A WITNESS.</p> <p>REFER TO PAGES 33 AND 40-51 OF THE ALLSTATE BEST PRACTICES GUIDE: IDENTIFYING AND HANDLING OF POTENTIALLY FRAUDULENT BODILY INJURY CLAIMS (C3249) FOR ADDITIONAL INFORMATION CONCERNING STATEMENTS</p>	REQUIRED	REQUIRED
	NO 1ST OR 3RD PARTY SIU CLAIM MAY BE EVALUATED FOR SETTLEMENT UNTIL A STATEMENT CONCERNING THE FACTS OF THE LOSS IS SECURED FROM THE 1ST OR 3RD PARTY CLAIMANT WHO IS SEEKING A SETTLEMENT.	REQUIRED	REQUIRED

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	3RD PARTY CLAIMANT
VEHICLE INSPECTION REQUIREMENTS	<p>IF PHOTOS OF ALL VEHICLES WERE NOT ALREADY SECURED PRIOR TO THE FILE BEING TRANSFERRED TO THE SIU, THEN AS SOON AS POSSIBLE, 35MM PHOTOS OF ALL INVOLVED VEHICLES MUST BE SECURED AS FOLLOWS:</p> <p>IN ADDITIONAL TO A PHOTO OF THE LICENSE PLATE NUMBER AND VIN NUMBER, A MINIMUM OF 5 PHOTOS PER VEHICLE OF THE FOLLOWING SUGGESTED VIEWS:</p> <ul style="list-style-type: none"> - FRONT BUMPER - FRONT BUMPER FROM BELOW - FULL VIEW OF RIGHT SIDE - RIGHT FRONT SIDE (FRONT FENDER) - RIGHT REAR SIDE (1/4 PANEL) - FULL VIEW OF LEFT SIDE - LEFT FRONT SIDE (FRONT FENDER) - LEFT REAR (1/4 PANEL) - REAR BUMPER - REAR BUMPER FROM BELOW <p>WHERE APPLICABLE, DETERMINE IF THE AIR BAG WAS DEPLOYED WHERE THERE IS A FRONT END IMPACT</p> <ul style="list-style-type: none"> - DETERMINE IF THERE WAS ANY IMPACT TO THE ABSORBERS ON ALL VEHICLES WHICH HAVE FRONT END OR REAR END DAMAGE - PHOTOGRAPH PRE-EXISTING DAMAGE - INCLUDE MEASURING STICK IN PHOTOS THAT VERIFIES THE HEIGHT OF THE DAMAGE - SHOOT AT A DIRECT ANGLE (90 DEGREE PERPENDICULAR TO CAR) ON ALL VIEWS - DO NOT ALTER ANY PICTURES OR NEGATIVES <p>REFER TO PAGES 23-28 OF THE ALLSTATE BEST PRACTICES GUIDE: IDENTIFYING AND HANDLING OF POTENTIALLY FRAUDULENT BODILY INJURY CLAIMS (C3249) FOR ADDITIONAL INFORMATION CONCERNING VEHICLE INSPECTIONS</p>	REQUIRED	REQUIRED
SCENE PHOTOS & DIAGRAM	UPON RECEIPT OF THE FILE INTO THE SIU, A PROMPT SCENE INVESTIGATION MUST BE CONDUCTED IN ACCORDANCE WITH THE FOLLOWING SITUATIONS:		

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	2ND PARTY CLAIMANT
SCENE PHOTOS & DIAGRAM (CONTINUED)	QUESTIONABLE LIABILITY	REQUIRED	REQUIRED
	JUMP-IN PASSENGERS OR STAGED ACCIDENT	REQUIRED	REQUIRED
	ALL OTHER SITUATIONS	RECOMMENDED	RECOMMENDED
	SCENE PHOTOS MUST INCLUDE A PHOTO OF THE STREET SIGN AND/OR OTHER MARKER TO CONFIRM THE LOCATION. REFER TO PAGE 32 OF THE ALLSTATE BEST PRACTICES GUIDE: IDENTIFYING AND HANDLING OF POTENTIALLY FRAUDULENT BODILY INJURY CLAIMS (C3249) FOR ADDITIONAL INFORMATION CONCERNING SCENE PHOTOS, DIAGRAM & CANVASS		
BILL VERIFICATION	ALL BILLS MUST BE VERIFIED IN COMPLIANCE WITH THE CPP&P MANUAL; AND REGIONAL M.B.R.S. REQUIREMENTS, UNLESS STATE LAWS/REGULATIONS DICTATE OTHERWISE.	REQUIRED	REQUIRED
	VISITS TO HEALTH CARE PROVIDER'S OFFICES MUST BE CONDUCTED AS OUTLINED ON PAGES 34-36 OF THE ALLSTATE BEST PRACTICES GUIDE: IDENTIFYING AND HANDLING OF POTENTIALLY FRAUDULENT BODILY INJURY CLAIMS (C3249) FOR ADDITIONAL INFORMATION CONCERNING BILL VERIFICATION.	RECOMMENDED	RECOMMENDED
SYSTEM REQUIREMENTS	A PRIOR LOSS HISTORY CHECK MUST BE PROMPTLY COMPLETED.	REQUIRED	REQUIRED
	UPON RECEIPT OF THE FILE INTO THE SIU, AN NDBS CHECK MUST BE PROMPTLY COMPLETED AND DOCUMENTED IN THE CLAIM FILE.	REQUIRED	REQUIRED
	CASUALTY HUB MUST BE UPDATED ON AN ONGOING BASIS.	REQUIRED	REQUIRED
	INVESTIGATION OF ALL CASUALTY INDEX SYSTEM MATCHES MUST BE COMPLETED.	REQUIRED	REQUIRED
	A LA CARTE (DATA WAREHOUSE) MUST BE USED IF THE DATA NEEDED IS AVAILABLE THROUGH CLAIMS A LA CARTE.	RECOMMENDED	RECOMMENDED

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	3RD PARTY CLAIMANT
SYSTEM REQUIREMENTS CONTINUED	ALL DIARY ENTRIES MUST: - BE FACTUAL, OBJECTIVE, AND RELATE TO THE ISSUES - BE RECORDED ON THE SIU MECHANIZED DIARY - NOT REFERENCE THE ESTIMATED \$ NOT PAID	REQUIRED	REQUIRED
DJA	AUTHORIZATION TO INITIATE A DJA MUST BE SECURED IN COMPLIANCE WITH CPP&P MANUAL REQUIREMENTS.	CPP&P	NOT APPLICABLE
FILES DETERMINED NOT TO BE FRAUDULENT	IN ORDER FOR US TO LIVE UP TO OUR COMMITMENT TO PROVIDE EXTRAORDINARY CUSTOMER SERVICE, IT IS RECOMMENDED THAT THE SIU CONCLUDE THOSE FILES WHICH REQUIRE AN ADDITIONAL STEP OR TWO TO FINALIZE THE CLAIM. FILES THAT ARE DETERMINED NOT TO BE FRAUDULENT THAT WILL REQUIRE EXTENSIVE WORK OR ARE LITIGATED, SHOULD BE RETURNED TO THE MCO.	RECOMMENDED	RECOMMENDED
FILES DETERMINED TO BE FRAUDULENT	AUTHORIZATION TO DENY ANY CLAIM/CLAIMANT MUST BE SECURED IN ACCORDANCE WITH THE CPP&P MANUAL REQUIREMENTS.	CPP&P	CPP&P
	ANY AND ALL INFORMATION NECESSARY TO SUCCESSFULLY DEFEND ANY DENIAL POSITION MUST BE SECURED PRIOR TO THE ISSUANCE OF THE DENIAL.	NO EXCEPTIONS	REQUIRED
	DENIAL LETTERS MUST BE SENT AS FOLLOWS: - ON ALLSTATE STATIONERY - SIGNED BY AN ALLSTATE EMPLOYEE - NOT BE OPEN ENDED	REQUIRED	REQUIRED
	ALL INDIVIDUALS WHO ARE REFERRED TO A STATE FRAUD BUREAU, WHERE APPLICABLE, AND/OR NICB IN ACCORDANCE WITH HOME OFFICE REPORTING PROCEDURES MUST BE ADDED TO THE LRS AND SIU ALERT SCREEN (SELECTION #82 ON THE CLAIM MASTER MENU WHICH IS ONLY ACCESSIBLE THROUGH THE ROANOKE ROC) BY A LOCAL AUTHORIZED SIU EMPLOYEE WITHIN 2 BUSINESS DAYS OF THE STATE FRAUD BUREAU/NICB REFERRAL.	REQUIRED	REQUIRED
	AN UNDERWRITING REFERRAL MUST BE COMPLETED.	REQUIRED	NOT APPLICABLE

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	3RD PARTY CLAIMANT
FILES DETERMINED TO BE FRAUDULENT CONTINUED	THE SIU CLAIM REPRESENTATIVE MUST WORK WITH UNDERWRITING TO ENSURE THAT PREMIUM REFUNDS ARE COMPLETED AS REQUIRED ON AB INITIO CLAIM.	REQUIRED	REQUIRED
STATE FRAUD BUREAU AND/OR NICB REPORTING REQUIREMENTS	<p>IN ORDER TO ENSURE THAT INDIVIDUALS AND/OR ORGANIZATIONS ARE PROPERLY REFERRED TO NICB AND TO STATE FRAUD BUREAUS WHERE APPLICABLE, THE FOLLOWING GUIDELINES APPLY UNLESS STATE LAW SPECIFIES OTHERWISE:</p> <ul style="list-style-type: none"> - IT IS ALLSTATE'S POSITION THAT IF THERE IS INCONCLUSIVE EVIDENCE TO SUPPORT A DENIAL POSTURE, THE CLAIM MUST NOT BE REFERRED TO NICB OR TO A STATE FRAUD BUREAU - ACTIONS TAKEN ON A CLAIM, AT ANY POINT IN TIME, MUST BE CONSISTENT. FOR EXAMPLE, <ul style="list-style-type: none"> - IF A DECISION IS MADE TO DENY THE CLAIM, THE FILE SHOULD BE REFERRED - IF A DECISION IS MADE TO PAY A CLAIMANT BUT TO DENY A HEALTH CARE PROVIDER (E.G., SERVICES NEVER RENDERED), THE PROVIDER SHOULD BE REFERRED - IF A CLAIM WAS PAID AND SUBSEQUENT INFORMATION CONCLUDES THAT THE CLAIM WAS FRAUDULENT, THE CLAIM SHOULD BE REFERRED - IF THE CLAIM UNDER INVESTIGATION IS DROPPED (PRIOR TO THE ISSUANCE OF A DENIAL LETTER) AS A RESULT OF THE SIU'S INVESTIGATION WHICH HAS UNCOVERED INFORMATION INDICATING THAT THE CLAIM MAY BE FRAUDULENT, THE CLAIM SHOULD BE REFERRED 	REQUIRED	REQUIRED

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	3RD PARTY CLAIMANT
VENDOR MANAGEMENT	<p>THE SIU MANAGER OR DESIGNEE IS RESPONSIBLE FOR ESTABLISHING PROCEDURES TO ENSURE THAT ON AN ANNUAL BASIS ALL OUTSIDE VENDORS UTILIZED BY THE SIU ARE PROPERLY LICENSED AS REQUIRED BY THEIR RESPECTIVE STATES. THE SIU MANAGER OR DESIGNEE MUST MAINTAIN A FILE CONTAINING COPIES OF ALL RELEVANT DOCUMENTS.</p> <p>REFER TO PAGES 34-38 OF THE ALLSTATE BEST PRACTICES GUIDE: IDENTIFYING AND HANDLING OF POTENTIALLY FRAUDULENT FIRST PARTY CASUALTY CLAIMS (C3355) FOR ADDITIONAL INFORMATION CONCERNING VENDOR MANAGEMENT</p>	REQUIRED	REQUIRED
MISCELLANEOUS	<p>EACH SIU MANAGER MUST ESTABLISH LOCAL REQUIREMENTS TO INCLUDE:</p> <ul style="list-style-type: none"> - MANAGEMENT REVIEWS WHICH SHOULD BE DEVELOPED ACCORDING TO THE JOB DESCRIPTION, SKILL LEVEL, AND EXPERIENCE LEVEL OF EACH SIU EMPLOYEE - WHEN, OR IF, THE LICENSES OF ATTORNEYS OR HEALTH CARE PROVIDERS SHOULD BE VERIFIED - WHEN A PIP OR MEDPAY CARRIER SHOULD BE CONTACTED - IMEs - PEER REVIEW OF MEDICAL RECORDS - BIO-MECHANICAL OR RECONSTRUCTION EXPERT REVIEW - WHAT STEPS SHOULD BE TAKEN IF A THIRD PARTY CLAIMANT REFUSES TO COOPERATE (E.G., CASE NOT IN LITIGATION AND CLAIMANT REFUSES TO GIVE A STATEMENT OR PERMIT THE INSPECTION OF HIS/HER VEHICLE) 	REQUIRED	REQUIRED
LEGAL	ALL FILES MUST BE REFERRED TO STAFF COUNSEL FOR SUIT TRACKING PURPOSES REGARDLESS OF WHETHER STAFF OR OUTSIDE COUNSEL PROVIDES THE DEFENSE.	REQUIRED	REQUIRED
	EACH SIU MANAGER SHOULD WORK WITH THEIR LOCAL STAFF COUNSEL TO DEVELOP STRATEGIES CONCERNING THE HANDLING OF SIU CLAIMS INCLUDING LITIGATION AND EUOs.	REQUIRED	REQUIRED

CATEGORY	CASUALTY CLAIMS	1ST PARTY CLAIMANT	JRD PARTY CLAIMANT
FILE IN LITIGATION	<ul style="list-style-type: none"> - USE DECISION TREE TO SEGMENT CASE - COMPLETE THE SUITE REFERRAL FORM AND INCLUDE A CLEAR IDENTIFICATION OF THE FRAUD ISSUES INVOLVED - COORDINATE SUIT ACTIVITY AS PER ATTACHED MODEL - ENSURE DEFENSE COUNSEL FOLLOWS ALLSTATE SIU LITIGATION PROTOCOLS 	REQUIRED	REQUIRED

**TRAINER'S GUIDE
SIU PROCESS
REDESIGN**

TRAINER'S GUIDE: SIU REDESIGN TRAINING

OVERVIEW:

Train participants in the application of the casualty transfer guide and in the redesign of SIU processes

TRAINING GUIDE OBJECTIVES:

- Provide background and additional information to assist in presentation of SIU process redesign training
- Supplement training materials with key points of reference to enhance discussion

OBJECTIVES OF SIU REDESIGN TRAINING:

- Train casualty employees on new MCO and SIU processes so that:
 - Appropriate suspected fraud cases are transferred to the SIU at an earlier date using uniform, objective, standards;
 - SIU processes and claim handling procedures are consistent across regions;
 - Patterns of fraudulent activity are addressed in each market

PARTICIPANTS:

Market Claim Managers, SIU Manager, Casualty Claim Managers, Unit Claim Managers, all Casualty Claim Representatives in the SIU and MCO

TIMELINE:

Training should be conducted between weeks 2-5 in the CCPR-SIU implementation schedule.

- Week 2 - SIU training on new processes and casualty transfer guide
- Week 3 - CCM training on transfer guide and SIU processes
- Week 4-5 - MCO claim rep training on transfer guide and SIU processes

Each session should last approximately 1/2 day

Multiple sessions should be scheduled in the MCO

MATERIALS:

- SIU Training Package
- Sample claim file
- SIU Best Practices Guidelines (handout)
- Videotape - Staged Auto Accidents

NOTES TO TRAINER:

It is important to familiarize yourself with the training materials. Give yourself ample time to prepare for each training session. You may wish to write examples or notes to yourself on your copy of the package. This will help you to remember the important points to stress during each presentation.

DISCUSSION NOTES BY PAGE

BACKGROUND/KEY FINDINGS:

Page 1 COVER PAGE

Thank participants for attending

Recognize any guests (regional attendees, etc.)

If a particular guest wishes to make any opening remarks, that should occur at this point

Page 2 DISCUSSION TOPICS

Briefly review sections to be covered in the training

Provides a framework and point of reference for participants

Page 3 POTENTIAL FRAUD IN POPULATION BI AND UM/UIM

Indicate that the BI file survey included the review of approximately 1200 files

Since suspected fraud is found in such a high percentage of loss payouts, CCPR saw significant opportunity to impact claim costs

11% figure resulting from file survey is consistent with NICB's conservative estimate of fraudulent loss dollars paid industrywide (10%)

Emphasize that we do not plan or expect to transfer 11% of casualty claims from the MCO to the SIU. Certain types of suspected fraud, such as criminal and some levels of abuse, are best handled in the SIU. Other fraud issues involving MIST type cases can be addressed in the MCO

Page 4 COMPETITOR INTERVIEWS

Conducted to learn how other SIUs are organized and operate

Page 5 COMPETITOR INTERVIEW SUMMARY

Information was sought in 5 key areas

The companies that utilize investigators to handle suspect fraud cases focus on property fraud rather than bodily injury fraud

The SIU structure at one of our major competitors closely resembles our own - either that currently in place or proposed in CCPR design principles

Page 6

SCREENING/SCORING SYSTEM

The screening system of another major insurer is designed for both auto and homeowner claims. The claim representative enters information into a computer on-line while taking a recorded statement from the insured. SIU referrals are identified based on the input entered in response to a series of questions

Page 7

DESIGN APPROACH

This page provides a summary of the approach that was followed to identify areas that needed improvement

Analysis and findings were based on field input

In general:

There was a lack of consistency in the volume and type of claims referred to the SIU:

Potential fraud exists in far more claims than we are currently handling in Special Investigative Units:

There were big differences in the way SIUs operated:

Action was not frequently taken by the company to refer cases for prosecution

In the MCO, the biggest opportunity area was the objective identification and timely transfer of claims for special investigation

Page 8

SIU SURVEY

Three types of reviews were conducted between September - November 1994 by the field, Home Office, and CCPR team members

Be sure to explain reasons for the file selection in each category

Page 9

POTENTIAL CASUALTY FILE SEGMENTATION

It is important to distinguish between the different file types:

CRIMINAL - Staged, faked, jump-in accidents, billing for treatment not performed

ABUSIVE - May not be "criminal" fraud but appears highly exaggerated based on facts of the claim. In such cases we feel we could persuade a jury to agree, who would award a lesser settlement or deny the claim entirely. Examples include:

- Multiple medical providers
- Substantial treatment period
- Significant diagnostic tests

PADDED - Claim is moderately built-up, but does not normally involve large dollar amounts. A trial outcome may not be clear cut, or the amount in dispute is too minor to warrant trial. Examples include:

- Few extra physician visits
- A questionable diagnostic

LEGITIMATE - Facts of the case are consistent with the claim submitted

Page 10

KEY ELEMENTS OF THE TEST

Each element of the test was designed to address the key findings

Be sure to highlight each aspect of the test - detailed information on each follows

Page 11

TEST SITES

Reasons for the selection of LA Metro and Valley Forge SIUs as test sites:

- Both SIUs had been up and running for several years
- Located in metropolitan areas "known" for high incidence of fraud
- Were organized differently and addressed different types of fraud
- Important to test in diverse locations to evaluate impact of new processes

SIU CASUALTY TRANSFER GUIDE

Page 12

POTENTIAL CASUALTY FRAUD IDENTIFICATION IN THE MCO

This was the process that was followed in developing the scorecard

Common fraud indicators were identified in file reviews from LA, San Francisco, Long Island Metro, Valley Forge and Florida Atlantic

Stress that fact gathering, analysis, and testing was field based

Emphasize that no uniform system was in place in the MCO to screen potential fraud. Also indicate that MCOs and SIUs did not always agree on what type of files should be referred to the SIU

Page 13

KEY FINDINGS FROM CLOSED FILE SURVEYS

These are some of the examples of common indicators uncovered in the closed file survey

Actual file review results for each indicator listed follows this page

Page 14

WHAT WAS THE ALLEGED PRIMARY INJURY?

Point out the significant difference between legitimate claims and those with some element of fraud

Page 15

NUMBER OF AS OPEN PER FILE - FRAUDULENT VS. POPULATION

Stress that multiple claimants are found much more frequently in claims involving criminal and abusive fraud than in the general population

This fraud indicator becomes significant when found in combination with other factors

Page 16

USE OF SAME DOCTORS AND ATTORNEYS IN MULTIPLE CLAIMANT FRAUDULENT FILES

Indicate that, in the suspected fraudulent files reviewed, 70% of claimants had the same attorney, 80% had the same doctor, and 56% had the same doctor and attorney

This is only significant when the claimants are UNRELATED

Page 17

LEVEL OF IMPACT - FRAUDULENT FILES VS. POPULATION

Point out that, in the file survey, minor impacts were found 70% of the time in all suspected fraudulent files. However, in staged and faked accidents, that suspected percentage increased to 90%

Some of the minor impact suspect fraud cases are handled in the MIST desk

Page 18

SIU CASUALTY TRANSFER GUIDE

Guide uses a point system to flag potential fraud

Point value is assigned based on how strong an indicator of fraud is involved, either alone or in combination with other factors

The scorecard addresses three broad categories:

- Accident facts - Identifies factual evidence indicative of suspect fraud
- Involved persons - Profiles fraud indicators of involved persons
- Treatment patterns - Identifies a delay in treatment which may suggest fraud

Scoring system was used to give weight to each of the factors in relation to each other

BE SURE TO STRESS THAT TRANSFER GUIDE IS ONLY A TOOL TO BE USED IN THE IDENTIFICATION OF POTENTIAL FRAUD. A FILE SCORING 100 POINTS DOES NOT SIGNIFY THAT THE CLAIM IS FRAUDULENT, BUT ONLY THAT IT WARRANTS SPECIALIZED INVESTIGATION. THE TRANSFER GUIDE HELPS ASSURE THAT WE ARE BEST UTILIZING OUR SIU RESOURCES TO INVESTIGATE THE APPROPRIATE CASES

THE GUIDE DOES NOT AND SHOULD NOT REPLACE THE CLAIM REPRESENTATIVE'S INDEPENDENT JUDGEMENT AND EXPERIENCE

Page 18

SIU CASUALTY SCORECARD ELEMENTS (Page 1)

If any of the first six indicators listed is alleged or suspected, file should be referred to the SIU

Judgement as to whether allegations are believable and credible should be made in the SIU, not the MCO

Inconsistent damages will depend upon the type of car involved. Factors that may suggest inconsistencies include:

- Transfer of paint color from one vehicle to another does not match
- Major damage to claimant vehicle yet insured not pursuing DD claim
- Significant damage to one vehicle and minor damage to the other. As a starting point, a \$3000 difference in damages can be used a guideline in this category. However, the claim representative needs to examine vehicle photos, estimates, and evaluate accident facts in order to make a judgement

System information indicative of fraud is flagged through the Mainframe Index system

- SIU Manager Report (C400) provides matching indicative data regarding individuals who are or may have been involved in suspected fraudulent claims. Since this report is only available to SIU Managers, referrals resulting from system matches on this list need to be initiated by the SIU
- Prior Claims Data Match Report (C600) identifies insured or claimant data associated with a prior Allstate claim file. Depending on the type of match, claim should be transferred to the SIU for further investigation. Types of matches that warrant further investigation include:
 - Phone number or VIN number match associated with multiple persons and/or addresses
 - Insured's address and/or telephone number on LRS does not match the information on the client file system

Typical examples of possible staged accidents include:

- Claimant stops short for no reason
- Unexplained lane change by claimant
- Drive down - claimant waives insured on, giving insured ROW, and then proceeds
- Insured backing out of parking space and claimant suddenly appears in travel lane
- Insured adamant claimant responsible for accident even though insured appears legally liable

Indicators of a possible jump-in:

- Number of passengers on police report or claimant accident report different than what insured alleges
- Late notice BI
- Claimant vehicle is a bus

Indicators of a suspicious hit and run:

- Late notice BI
- New policy
- Injury alleged from loss inconsistent with property damage (ie. - Fx nose resulting from rear end accident)
- Active claim history
- No police at scene of accident (walk-in report)

Although a 100 point indicator results in an automatic file referral to the SIU, if other indicators are found they should be circled and included in the total scoring

Page 19

SIU CASUALTY SCORECARD ELEMENTS (Page 2)

Stress that a minor impact generally involves property damage of \$1000 or less per vehicle. However, expensive vehicles can involve minor impacts with greater than \$1000 damage, or older model cars can be total losses with ACVs of less than \$1000. Common sense should be used to evaluate whether this indicator applies to the claim

Be sure to stress that not every prior BI will be scored on the transfer guide - only those involving more than emergency room treatment. The claim representative will need to investigate the extent of treatment in order to properly score this category

NTR-0 should be scored for AA as well as SS receipts. In numerous reviews, NTR-0 was found more frequently in potentially fraudulent claims than in the general population of files

NTR-0 may not always mean a first time Allstate policyholder. For example, when the insured moves from one state to another, the original year on the policy remains the same by the NTR reverts to 0 to reflect a new policy. In addition, this category should only be scored when the loss occurs within the first three months of the policy origination date

In the future, this category will be scored automatically by the system. In the meantime, the claim rep needs to verify the original date of the policy to decide whether this indicator is relevant

Page 20

SIU CASUALTY SCORECARD ELEMENTS (Page 3)

Stress that claim rep should only consider and "count" those claimants where payment is at risk, when determining whether multiple claimants exist on a file. For example, the insured rear ends claimant #2 and then insured is rear ended by claimant #3. Both claimants are injured. However, multiple claimants would not apply in this case since only claimant #2 is at risk for payment

However, if there is one injured claimant in one car and another injured claimant in a second car (which can include an insured passenger) and we are liable for payment to both, the multiple injured claimants indicator should be circled

Scoring is on a per file basis, not a per claimant or per vehicle basis

Page 21

SIU CASUALTY SCORECARD ELEMENTS (Page 4)

Emphasize that a discussion should be held with manager and/or SIU rep to determine if a referral is justified based on "other reasons", either alone or in combination with other factors

Page 22

TEST RESULTS USING THE TRANSFER GUIDE

Mention that testing resulted in few false positives (files scoring 100 points or more that did NOT require special investigation)

Transfer guide promotes early transfer of suspect files if used correctly. Scorecard should always be up-to-date and accurately reflect current status. Therefore, it is important that the MCO claim rep understand the intent of each indicator and how each can be identified

Page 23

TRANSFER RESULTS

The SIU predicted receipt percentage of 5.5% was based on the results of the self evaluation conducted prior to implementation. This involves closed file reviews in each MCO to determine the potential additional number of transfers to the SIU using the scorecard

The actual transfer rate was higher than predicted in Valley Forge since they scored not only new receipts but all pending AA and SS files. (Note that 80% of files received in the SIU were those with notice dates prior to 11/1/94)

Each region will need to make a determination regarding the age of files to be scored, and when these claims should be transferred to the SIU

The Valley Forge test site saw a large volume of claims transferred to the SIU within a short period of time, once the scorecard was implemented. It is important to properly plan the schedule for scorecard "turn on" in each MCO so that a transfer "bubble" can be avoided or at least minimized

Page 24

SIU CASUALTY TRANSFER GUIDE INSTRUCTIONS

Emphasize that the transfer guide is a requirement for all AA and SS claims only

The total point figure should be updated as the file develops

No points should be assigned to the "other reasons" section. The claim representative should discuss the issue with a manager and/or SIU rep to determine if the file should be transferred

Page 25

FILE FLOW USING THE SCORECARD

Files scoring less than 100 points (without other reasons indicators) remain in the MCO for handling

Stress again that files scoring 100 points or more will require management review prior to transfer, to assure that the claims are being scored correctly and that the proper files are referred

Page 26

FILE TRANSFER OF SUSPECT SIU CLAIMS

Few false positives are anticipated. These files need to be tracked to determine whether the transfer guide scoring/ indicators need to be revised, based on local market conditions. This, however, would only take place after at least a year of activity using the scorecard

When a claim is referred from the MCO, all open coverages on the file will be handled by the SIU. Studies show that if one claim on a file is fraudulent, it is likely that the other claims are also fraudulent. It makes sense for the SIU to make this determination. Also, this results in better customer service to all parties involved in the claim

SIU employees need to focus their attention on the investigation of potential fraud. When no fraud exists or the fraud issue is resolved, it is more efficient to return the file to the MCO. This may not be a current practice in several SIUs

Page 27

MCO MANAGEMENT REVIEWS

The number and time frame for reviews needs to be established in each MCO

Page 28

MCO SCORECARD LOG

Completing the scorecard log is a requirement in each MCO. Once the transfer guide is mechanized, the system will automatically keep track of this information

It is important for the MCO to measure compliance in using the scorecard. Since files need to be transferred to the SIU as quickly as possible, there should be a minimal gap between the date the file actually reached 100 points, and the date the claim was referred to the SIU

SIU BEST PRACTICES

Page 29

SIU CASUALTY BEST PRACTICES

Best Practices were introduced to all regions at the SIU Manager's conference in May 1995

CCPR focuses on the file handling guidelines related to SIU cases. However, the SIU Best Practices also includes guidelines concerning SIU employee recruitment, employee safety, training, equipment, reserving practices, and measurement

The previous publications on best practices outlines "how to" identify and handle potentially fraudulent BI and first party casualty claims. The Best Practices introduced in May specifically state which activities are required and which are recommended when handling of SIU cases

Instances where "required" activities are not carried out should be very rare

Page 30-31

BEST PRACTICES FILE HANDLING GUIDELINES

These two pages provide a summary of the file handling requirements outlined in the guide. Depending on your audience, these pages can be omitted if the actual guidelines are distributed and discussed

SIU DESIGN PRINCIPLES

Page 32

SIU ORGANIZATIONAL DESIGN

Emphasize that the design principles were the result of input from field management, home office management, and also the result of closed file surveys

Several regions may already be organized with some or all of the recommended design principles in place (or at least some version)

Design principles will be reviewed and discussed with SIU Manager during second week of implementation. Agreements should be reached on adapting these principles, subject to the local geographic and market conditions that apply. Be sure to review each design principle and stress the rationale behind each

Page 33

MARKET ORIENTATION

Stress that insurance fraud varies by market. Therefore, it is important that an SIU operation align philosophy, processes, and strategies within their market

The Valley Forge example illustrates two distinct markets within one region

In LA Metro, the market encompasses the entire region

Page 34

SPECIALIZE CASUALTY-PROPERTY DISCIPLINES

Many SIUs currently are specialized by discipline. Some regions have a legitimate business case for not specializing. This usually occurs when referral volume from a particular area in the region is not high enough to staff with two SIU claim reps - one for property and one for casualty

Page 35

SIU-MCO PARTNERSHIP

SIU Manager will be provided with an outline detailing the role of the MCO liaison and describes the types of activities the liaison should be involved in regarding MCO training and communication. The discussion with the SIU Manager on the liaison role takes place during Week 2 of implementation

Page 36

SIU PARTNERING ROLES AND RESPONSIBILITIES

Self-explanatory

Page 37

ATTACKING PATTERNS OF FRAUD

Stress how this page illustrates the value of devoting a dedicated resource to investigate doctor/attorney combinations or other patterns of fraud

Indicate that it is very significant that our independent analysis identified combinations of individuals who were later indicted for insurance fraud

The actual number of files included in the analysis was not tracked

SIU ANALYST OBJECTIVES

Workshops have been developed to help the newly appointed analyst get started. This includes resources that the analyst will need to make contact and build relationships with; how to utilize system information to detect fraud patterns; and what specific steps should be taken when an indictment is handed down in a particular market

Analyst training is scheduled to take place during Week 4 of implementation

The Analyst can also play a broader role in helping to change public perception about committing fraud. This role is important because if the public is aware that Allstate aggressively fights and refers cases for prosecution, future fraud activity is deterred

THE SIU ANALYST

This page illustrates the type of information that will flow back and forth between the SIU Analyst and MCO, SIU, Home Office, and external agencies

Stress that the Analyst will interact with several groups to uncover patterns of fraud

SAMPLE SIU ANALYST INVESTIGATION

This page depicts how an analyst would conduct an investigation of a targeted individual

It is important that the analyst evaluate the results of his/her investigation on an ongoing basis to determine if it has value and is achieving desired results. An investigation cannot be open ended or continue indefinitely

SIU ANALYST TESTING RESULTS

Listed here is a summary of activities conducted by the SIU Analysts in the two test locations

Valley Forge:

- Investigation of a medical provider indicted for treatment not rendered. Scanlon is analyzing pending and closed files to compile evidence, and has found a potential \$200,000 at stake. Once investigation is complete, will work with legal counsel to determine how to proceed
- As a result of networking with the FBI, received a tip on a medical facility billing for treatment not rendered. Scanlon is involved in the investigation up front, which increases the likelihood that Allstate will be able to recover
- Interviewing attorneys for prosecution activity
- Monitoring the C400 and medical sanction report

Los Angeles:

- Investigation of a chiropractic clinic that takes referrals from an attorney and then in turn refers the patient to one of 200 chiropractors in a "network". It is questionable whether treatment is actually rendered by the chiropractors. The referring chiropractor then inflates the billing for the alleged treatment and forwards it to the attorney, who in turn makes a demand to the insurance carrier. The attorney receives a "kickback" fee once the case is settled. In the LA Metro region, the Analyst has identified over \$2 million of medical bills in closed and pending claims involving the referring chiropractor, and is working with the FBI in their investigation
- Development of a survey form used to input data from closed files into a PC system. Data will be analyzed to uncover patterns of fraud
- Development of a chiropractic training package for MCO casualty employees
- Monitoring the C400 and medical sanction report

Page 42

SIU LITIGATION PROCESSES

The percentage of SIU files that reach litigation varies by region. It is important to the overall success of the SIU that litigated files be handled in a manner consistent with the SIUs aggressive posture

Activities during litigation are different from those of investigation. Therefore, the focus of this examination of litigation processes was on best practices for the SIU rep and defense counsel

The approach used was a first hand look at litigated SIU files to identify what claim rep and defense counsel activities occur and which lead to successful results

Page 43

KEY FINDINGS AND RECOMMENDATIONS

Key findings led to three recommendations for improved file handling

Implementation of these three recommendations will result in greater focus on fraud issues at the beginning of litigation

Page 44

SEGMENTATION OF SIU FILES

File segmentation should take place when the claim rep is preparing to refer a file to defense counsel

Segmentation is a two step process - the claim rep first addresses the fraud issue, and then, based on available evidence, determines the appropriate means of resolution (trial or settlement)

The claim rep needs to determine what evidence is available and necessary in order to prove suspected fraud in each file

Page 45

SIU SEGMENTATION MATRIX - TYPE OF FRAUD

First the claim rep classifies the fraud involved into three broad categories

Some files may involve both accident and treatment related criminal fraud

To more clearly define the fraud issue, the matrix also asked the claim rep to document the specific facts of fraud. For example, the plaintiffs claim that they were the occupants of a parked car that was struck by a van being driven by the insured. The insured, the insured's passengers and an independent witness all say that there was no one in the parked car at the time of the accident

Page 46

SIU FILE SEGMENTATION MATRIX - INTENDED MEANS OF RESOLUTION

The second part of the matrix guides the claim rep through various factors and items of evidence that may exist in a file, to help assess the ultimate defense of each case

The matrix asks the claim rep to evaluate all factors or items of evidence found in each file for their impact on proving the fraud involved

Testimony of the injured parties and nature of the property damage is often important evidence when evaluating the legitimacy of an accident in a criminal case

Page 47

INTENDED MEANS OF RESOLUTION (CONT)

In criminal and abusive treatment cases, the claim rep will be evaluating evidence regarding the legitimacy of medical treatment and providers

Evidence in abuse cases is similar to that in MIST cases

Once the claim rep has documented each item of evidence and weighed the impact on the defense, the claim rep needs to decide whether the case should be tried or settled. The decision should be documented on the matrix

A decision to try a case at the time of suit referral should remain firm. Early file investigation in the SIU should provide an adequate basis for making a decision. Resegmentation at a later time should occur only if evidence relied upon as favorable to the defense goes bad

Page 48

SEGMENTATION OF SIU FILES - ADR

Stress that trial is the preferred means of resolution of SIU cases. Under certain circumstances, ADR is an appropriate substitute for trial

The claim rep needs to exercise sound judgement in considering whether the factors listed justify ADR instead of trial

ADR should be considered in cases segmented for settlement where negotiations have broken down and/or there is a risk of excess exposure

In general, ADR refers to BINDING arbitration or mediation and requires an agreement with the plaintiff's attorney. High-low parameters should be part of the agreement. The low can be zero

Page 49

SIU FILE SEGMENTATION MATRIX

This is the SIU Segmentation Matrix, a one page document for use by the claim rep in each file

Page 50

SIU CASE HANDLING PROTOCOL

To achieve successful litigation results in SIU litigated files (drops, dismissals, defendant verdicts) the defense counsel must adopt an approach that is somewhat different than that used for non-SIU cases. Therefore, best practices were for staff counsel in the handling of SIU cases

The SIU protocols incorporate general features of the "Case Handling Protocol - Staff Counsel" which was developed by the CCPR litigation management team for handling non-SIU cases. But, the SIU protocols point out what types of activities require a different approach in the handling of SIU litigated cases (ie - use of form interrogatories and the scheduling of depositions)

The protocols reflect an aggressive file handling approach

Although the protocols are specifically intended for use by counsel, it is also a useful tool for the SIU rep, since they provide information on what activities the legal counsel should be engaged in

Page 51

SIU CASE HANDLING PROTOCOLS - STAFF COUNSEL

Protocols will be introduced to the field in the Fall of 1995 as part of CCPR litigation management initiatives. Protocols specific to SIU cases will also be available at that time

Some of the attorney activities were revised to reflect what should happen in SIU litigated cases:

"Form" interrogatories should not be used prior to a deposition, to avoid plaintiff preparation prior to deposition

Face to face interview with the insured leads to an early assessment of his/her witness potential

Early plaintiff deposition locks the plaintiff into his/her version of events

Special, follow-up interrogatories to target questionable areas uncovered in the deposition

Compel motions should be made quickly when discovery is overdue

Page 52

SIU CLAIM REP - DEFENSE ATTORNEY INTERACTION

Emphasize that the claim rep needs to be proactive in controlling the course of litigation to ensure good results

The claim rep should initiate meaningful communication with defense counsel not only at the time of suit referral but also at regular intervals throughout the duration of litigation

Consistent, meaningful interactions will avoid a commonly occurring situation where the claim rep relinquishes control to defense counsel

The interaction model also helps to avoid the other extreme where the claim rep makes key decisions or gains key information without communicating matters to defense counsel. In this situation, a lack of interaction can impair defense counsel's ability to get the best possible result

Early and frequent interaction will provide a clear understanding of the issues involved for all parties

Page 53

LITIGATION INTERACTION PROCESS MODEL

The model includes aggressive time frames for contacts, a checklist of topics to be discussed during the conversations, and specifies what documentation is required

ORGANIZATION

Page 54

SIU ORGANIZATIONAL POSITIONS

This page provides a brief description of the organizational positions in the SIU

Point out that the only "new" position is that of the analyst

Job descriptions, paygrades, etc will be developed in the future

Point out that the litigation specialist is an option that each SIU needs to consider

Page 55

SIU LITIGATION SPECIALIST

Individual skill sets need to be evaluated to determine who should fill the litigator role

The items listed on this page should help the SIU determine which option would work best in their market

The need for a litigation specialist will vary from region to region. The pros and cons should be weighed by the SIU Manager

Page 56

SPECIAL INVESTIGATION UNIT ORGANIZATIONAL CHART

The SIU structure depicted in the chart represents a large metropolitan area

The organizational structure for SIUs located in smaller markets would look somewhat different. For example, there may not be specialization to this degree, satellite locations may or may not be necessary, and two litigation specialists may not be required

In the future, the SIU analyst would focus on patterns of fraud related to property as well as bodily injury

Page 57

DEVELOPING THE STAFFING MODEL IN THE SIU

To develop the staffing model, the number of receipts per SIU rep needed to be determined, as well as the future volume of MCO referrals using the transfer guide. The number of referrals divided by the number of receipts per rep will determine how many claim reps are needed to staff the SIU

SIU CASUALTY STAFFING MODEL APPROXIMATE TIME ALLOCATIONS

Claim reps were interviewed in the Valley Forge, LA Metro and Florida Gulf regions

Unlike in the MCO, it takes almost as much or the same amount of time to handle a CWP as a CWA in the SIU

Liability investigations did not occur as frequently in the SIU as in the MCO

Time to conduct a damage investigation was much higher in the SIU than in the MCO

Claim reps in the SIU on average spent about 5 more hours per claim than the MCO handling litigation. This may be due to the number of claimants on an SIU file. And, it appears that the SIU gets more involved in attending depositions, EUO's trials, arbitration hearings, and conferences related to litigation

MEASUREMENT

SIU MEASUREMENTS

Listed are descriptions of three new reports that the SIU will be required to complete once CCPR is implemented. The first documents MCO file referrals and compares them to the predicted volume. The second measures dollars not paid due to SIU intervention and uses a new calculation method. The third report documents the SIU Analyst activities and results

Details on each report follow

SIU TRANSFER LOG

This log keeps track of all referrals to the SIU via the scorecard

Needs to be manually completed in the SIU; at some time in the future log will be mechanized when the transfer guide is mechanized

Should be used to track AA and SS coverages only

Analyst can also use report to study fraud indicator combinations for possible suspicious patterns in his/her market

Page 61

MCO CASUALTY REFERRAL SUMMARY

This report is based on the statistics found on the SIU transfer log

The SIU manager will be able to keep track of referrals from each MCO in the region, and compare actual results with what was predicted so that variances can be addressed. (Scorecard compliance issues etc)

For the first year after CCPR implementation, the baseline is based on the results of the self-evaluation for each MCO. After a year of scorecard use, the baseline will reflect actual referral percentages for that period

Page 62

SIU FILE TRANSFERS

Each month, a summary of baselines and actual transfer percentages will be compiled by the Home Office SIU and made available to all RVPs. Therefore, each SIU will be able to compare their casualty referral performance against that of all regions

Page 63

ITEM AND CLAIMANT MEASUREMENT

The baseline severities were calculated from CCPR file reviews conducted in each region

In the future, baseline revisions will be adjusted based on CDS database input

The baselines for each MCO are different

The only allocated expenses included in this report are those related to the investigation of a claim. The issue of measuring legal expenses is being addressed by the CCPR litigation management team and the tracking of these expenses will be included in a separate report. Including legal expenses in the dollars paid category can distort overall SIU results and impact aggressive litigation activity. For example, a claim is denied in the SIU, eventually tried and a defendants verdict is rendered. However, if the legal expenses in trying the case exceed the baseline severity amount, then the report would not reflect any dollars saved although the trial outcome was positive

Page 64

ITEM/CLAIMANT MEASUREMENT REPORTING PROCEDURE

At month end, the SIU rep manually completes a "Dollars Not Paid" log. Their results are submitted to support staff for input onto a PC. Monthly reports can be generated which show measurements by region, by coverage, by MCO, or by desk location.

Page 65

DOLLARS NOT PAID RESULTING FROM SIU ACTIVITY

This is a sample copy of the log that the claim rep completes

The form should be used for AA and SS coverages only. The reporting method for other coverages remains unchanged

Restitution dollars are not included in this report and will be documented elsewhere, since this log measures item/claimant activity at the time the coverage was closed.

Note the expense coding categories that should not be included in the SIU allocated expense column

The average baseline severity has four categories, based on type of injury and representation. Since these figures will be automatically loaded into the system, the claim rep will not need to complete this column. The SIU dollar impact column will also be calculated by the system

Page 66

BIUM ITEM/CLAIMANT CLOSURE LOG

This sample report depicts a summary of all item/claimant closure activity compiled from the individual SIU claim rep logs

Page 67

REGIONAL SIU - AA/SS SUMMARY

This sample report shows the monthly result of item/claimant closure activity for AA and SS coverage in the SIU. Year to date results can also be generated

Page 68

SIU-INDIVIDUAL MCO SUMMARY OF AA/SS COVERAGE

Results can be compiled by MCO

Page 69

SIU REP - AA/SS CLOSURE SUMMARY

Closure results can also be generated by desk location

Page 70

PRELIMINARY SIU ANALYST EVALUATION MODEL

It is important for the analyst to document investigative activities and results, in order to evaluate his/her job performance

It is equally important to provide results in order to assess the effectiveness of the position and its impact on addressing patterns of fraud in each market

Sample copies of SIU Analyst measurement reports can be found in the Appendix. This report should be distributed to the SIU Manager, TCM/CDM, and Home Office SIU Manager

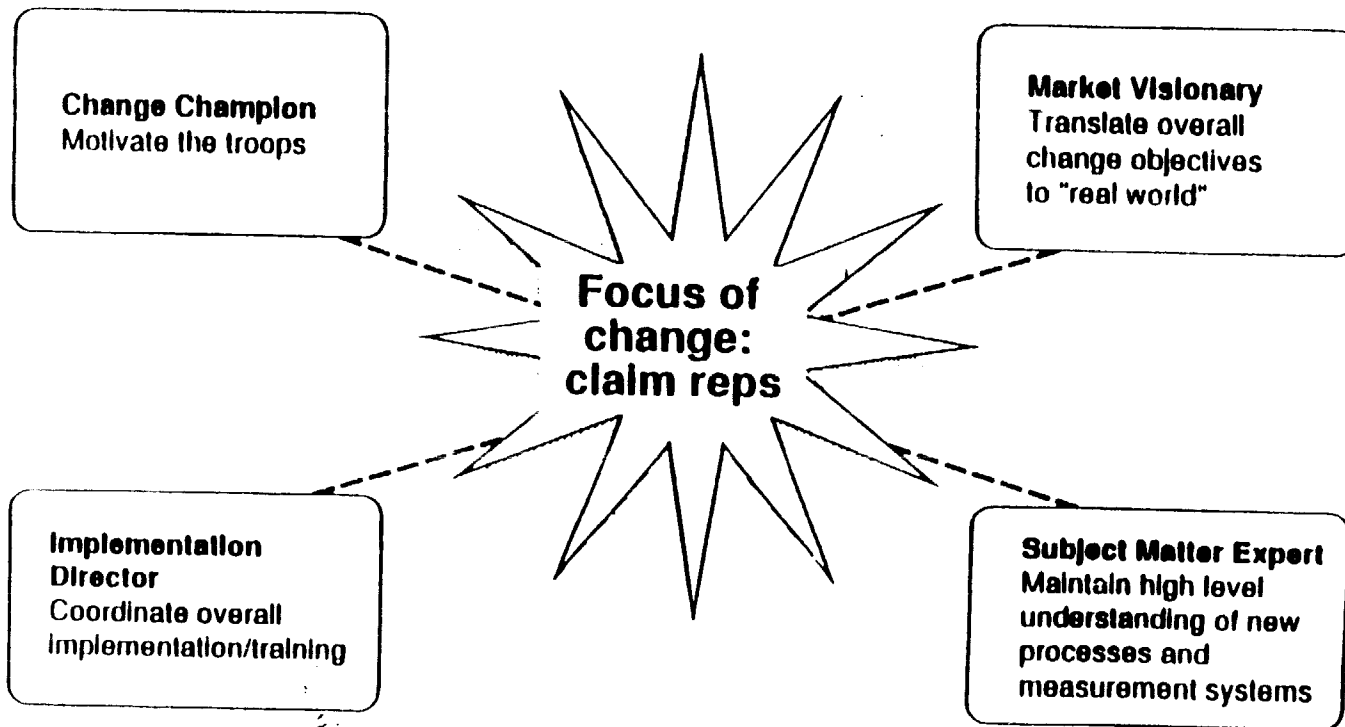
MANAGEMENT ROLES IN SIU MEASUREMENTS

The SIU activity reports need to be distributed and understood by managers at various levels

Depending on the management position, the various reports serve different purposes

**MISSING
PAGE**

CHANGE ROLES



00002-005C11

**MISSING
PAGE**

Using these worksheets, identify individuals to perform each change role. Some roles may be shared. As a group, agree on and commit to first steps for each role

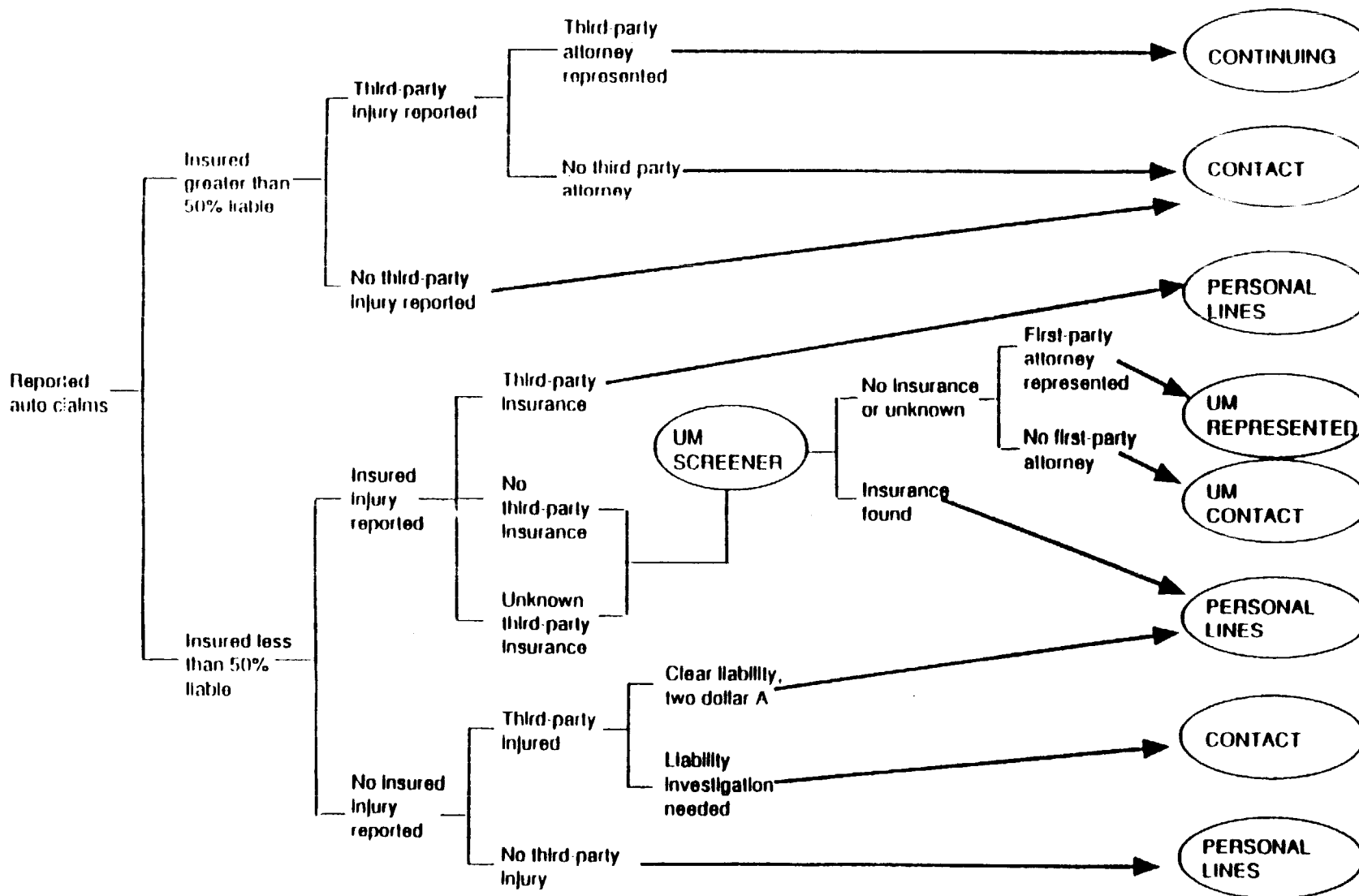
MCO CHANGE TEAM – ROLES AND ACTION STEPS

Change role	Player(s) – who has this responsibility?	Key steps – how will he/she get started in this role?
<p>1. CHANGE CHAMPION</p> <ul style="list-style-type: none"> • "Motivate the troops" • Convey vision and serve as role model of desired change behavior • Interact with field and regional management to track successes/obstacles • Reinforce change effort through appropriate communication and recognition vehicles • Maintain office environment conducive to change and be alert to shifting energy/morale levels 		<p>1.</p> <p>2.</p> <p>3.</p>

An MCO in the LA Region chose to dispatch files this way.

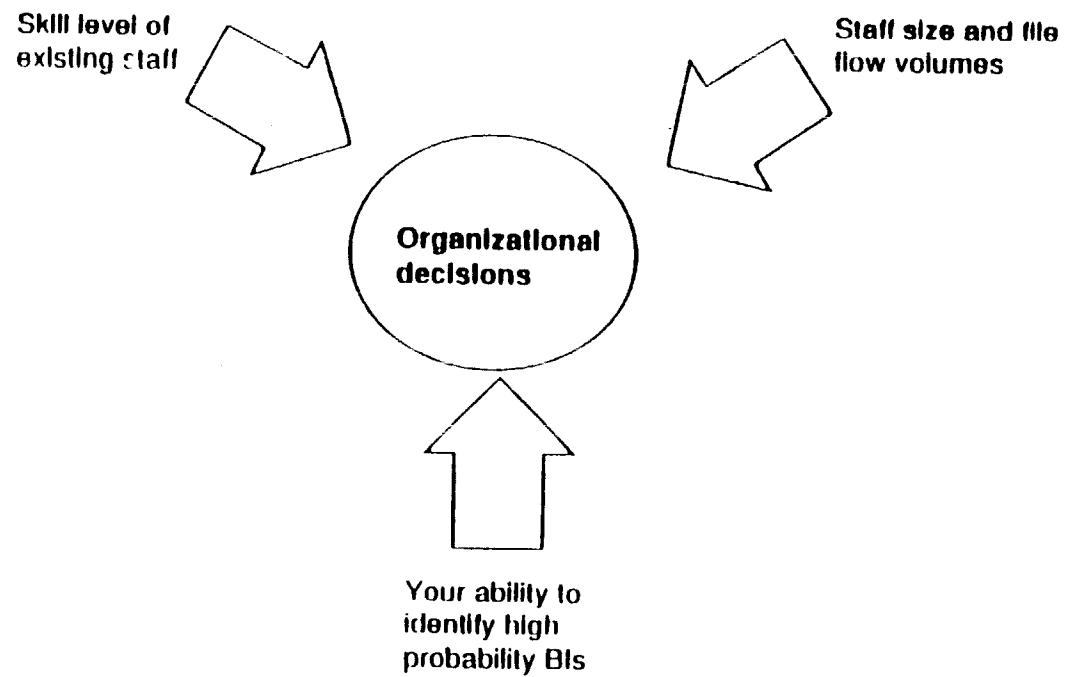
MONROVIA/WEST COVINA FILE DISPATCH

EXAMPLE



Several issues should be considered when selecting your organizational model.

ORGANIZATIONAL CONSIDERATIONS



Several organizational questions typically arise.

COMMONLY ASKED ORGANIZATIONAL QUESTIONS

Question	Response
If I do not have enough unrepresented UM for an individual to handle, can I combine represented and unrepresented UM with one individual?	A claim rep should not handle both represented and unrepresented claimants. If there is insufficient unrepresented UM volume to designate a specific Rep, unrepresented UM and unrepresented BI can be handled by the same individual. Conversely, "spill over" represented UM should be handled within the represented segment
What if I do not have a UCM for each segment?	Office size may make it difficult to have a UCM for each unit. A UCM should be responsible for either unrepresented or represented claimants, not a mix of the two
Who should the evaluation consultant report to? Who should back up the evaluation consultant?	The evaluation consultant should report to the CCM Typically, the CCM backs up the evaluation consultant. The UCMs can provide a second level backup
If I decide to have separate file developers/investigators and negotiators in the represented segment, should they be separate units?	If you decide to have separate file developers/investigators and negotiators, the two should be part of the same unit. Furthermore, specific file developers/investigators should be matched up with specific negotiators when possible, and structured interaction should occur early in the file's life

DISCUSSION TOPICS



- **Organizational structure**
- **Placement of people**
- **Staffing model**
- **Pending transfers**

PLACEMENT OF PEOPLE

Selecting the individuals to fill key positions is one of the most critical decisions the MCM must make. Selected individuals must possess strong technical expertise, but individual interests and attributes should also be considered.

NEW POSITIONS TO FILL

- Unrepresented claim representatives
- Represented claim representatives
- Unrepresented UM specialists
- Represented UM specialists
- Evaluation consultant
- MIST claim handlers

Individual skill sets should match those listed on the Unit Profiles that follow for each position. As with all human resource decisions, fairness and sensitivity are critical.

STAFF SELECTION

- There are no "unimportant" jobs
- Training and coaching should be used as a method to develop skills
- Placement of managers can be an especially sensitive issue
- Flexibility is critical
- MCO management should partner with local Human Resources to help make staffing decisions

PROFILE: UNREPRESENTED CLAIM UNIT

Objectives	<ul style="list-style-type: none"> • To provide customer service and build rapport with claimants through empathetic, customer-focused fact gathering and claim processing • To reduce claimant's need for attorney representation through effective application of structured communication tools and interpersonal skills
Primary activities	<ul style="list-style-type: none"> • Rapid, effective customer contact to include face-to-face where appropriate and relationship-building • Claim investigation and file documentation (coverage, liability, damages) • Claim negotiation and settlement on non-attorney represented claims
Primary performance measures	<ul style="list-style-type: none"> • Contact time • Attorney representation rate • Compliance with procedures • Settlement results
Individual skills/abilities required	<ul style="list-style-type: none"> • Technical/business: <ul style="list-style-type: none"> - Communication/interpersonal skills - Active listening skill - Basic casualty technical expertise - Understanding of litigated file process
Other characteristics	<ul style="list-style-type: none"> • Customer service orientation • Empathy, compassion • Work organization/follow-up • Patience • Persuasion
Implementation tips	<ul style="list-style-type: none"> • Work hours will vary and will include weekend hours (individuals/units must be flexible)

PROFILE: UNREPRESENTED UM CLAIM UNIT

Objectives	<ul style="list-style-type: none"> • To reduce need for attorney representation and improve customer satisfaction by providing improved customer service • To successfully manage UM costs by aggressively investigating sources of insurance/assets to avoid payment on UM claims where insurance is present
Primary activities	<ul style="list-style-type: none"> • Rapid, effective customer contact and relationship building • Claim investigation and file documentation (coverage, liability, damages) • Claim negotiation and settlement with unrepresented insureds
Primary performance measures	<ul style="list-style-type: none"> • Contact time • Attorney representation rate • Compliance with procedures • Settlement results
Individual skills/abilities required	<ul style="list-style-type: none"> • Technical/business: <ul style="list-style-type: none"> – Basic casualty technical expertise – Investigation skill – Work organization – Active listening – Communication/interpersonal – Proficient in application of Medical Management Bill Review System
Other characteristics	<ul style="list-style-type: none"> • Empathy • Customer service orientation • Open-minded • Patient • Able to do field work (local travel)
Implementation	<ul style="list-style-type: none"> • Interpersonal and communication skills carry more importance in staff selection than pure claim technical perspective.

PROFILE: REPRESENTED CLAIM UNIT

- | | |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objectives | <ul style="list-style-type: none"> • To provide customer service to attorney-represented claimants through fair and complete investigation, evaluation, negotiation, and settlement • To ensure that BI severity is maintained at appropriate levels |
| Primary activities | <ul style="list-style-type: none"> • Rapid, effective contact, and front-end handling with involved party • Focused claim investigation (coverage, liability, damages) and file documentation • Consistent and objective evaluations • Communicate and negotiate with attorneys, negotiators • Claim negotiation and settlement or conclusion through trial • Direction of litigation and coordination with staff counsel |
| Primary performance measures | <ul style="list-style-type: none"> • Compliance with procedures • Quality and application of Litigation Plans • Settlement results |
| Individual skills/abilities required | <ul style="list-style-type: none"> • Technical/business: <ul style="list-style-type: none"> – Casualty technical knowledge – Basic awareness of property claim fundamentals – Investigation and negotiation skills – Strong communication skills – Strong familiarity with evaluation and settlement techniques |
| Other characteristics | <ul style="list-style-type: none"> • Skilled judge of all type cases • Open minded • Strong knowledge of state law and medical practices • Excellent organizational skills • Handles pressure well • Resourceful, aggressive, not afraid of professional confrontation |
| Implementation | <ul style="list-style-type: none"> • This unit requires strong processor support (to set appointments, make FU calls, etc.) • This unit will require strong-willed and experienced manager as workload and pending are likely to increase initially |

PROFILE: EVALUATION CONSULTANT

- | | |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objectives | <ul style="list-style-type: none"> • Assure consistency and objectivity in evaluations by reviewing and recommending settlement amounts on casualty files • Transfer technical expertise through coaching and training of others • Assure compliance with required file development matrices prior to settlement negotiations • Assist management in creating strategies to address injury severities through review and analysis of settlement data |
| Primary activities | <ul style="list-style-type: none"> • Review claim files and C1098/Colossus data to ascertain value of case • Consult claim representatives to establish Evaluated Amount of files • Conduct training (individual and group) on technical matters • Contribute to settlement conferences and discussions of negotiation strategies • Assist claim representatives in developing specific negotiation strategies |
| Performance measurement | <ul style="list-style-type: none"> • Settlement vs. evaluation amounts • Compliance with procedures • Quality and timeliness of evaluation consultations |
| Individual skills/abilities required | <ul style="list-style-type: none"> • Technical/business: <ul style="list-style-type: none"> • Casually claims – expert level of knowledge <ul style="list-style-type: none"> • Coverage verification • Policy Interpretation • Negligence laws • No-fault handling • Theories of defense in coverage, liability, and damages • Liability analysis • Medical terminology/medical reports • Casually calculation methodology (C1098 or Colossus) • Medical Bill Review system • Negotiation strategies, settlement, and release options |

PROFILE: EVALUATION CONSULTANT (CONTINUED)

Individual skills/abilities required (continued)	<ul style="list-style-type: none"> • Technical/business. <ul style="list-style-type: none"> – Communication <ul style="list-style-type: none"> • Active listening • Coaching • Analysis and sharing of technical information
Other characteristics	<ul style="list-style-type: none"> • Well-respected in the office (as a technical expert) • Confident and self-assured • Open-minded • Able to display tact, empathy in dealing with unit members
Implementation tips	<ul style="list-style-type: none"> • Make sure UCM role and Consultant's roles are clear. UCMs will continue to complete file reviews, claim representative measurement, and staff training, although evaluation consultant will offer support. In smaller offices, Consultant may also conduct file quality reviews or handle other administrative functions. In the absence of evaluation volume, Consultant may also handle a partial pending. • Individual selected as Consultant must display both technical and interpersonal expertise, and will play an important role in helping the office to accept and understand this new methodology. For that reason, management must assign an individual with experience, skills, and abilities adequate to support management and CCPR.

PROFILE: MIST/THRESHOLD CLAIM UNIT

- Objectives**
 - To keep injury settlements reasonable when only minor physical damage is involved, and to establish more consistent severities for similar cases
 - To protect policyholders from frivolous claims
 - To ensure BI severities are maintained at appropriate levels
 - Ultimately, to influence plaintiff attorneys/claimants to minimize the volume of noncredible claims
- Primary activities**
 - Rapid, effective contact and front-end handling with involved party
 - In-depth, focused claim investigation (coverage, liability, damages) and file documentation
 - Communicate and negotiate with attorneys, negotiators
 - Claim negotiation and settlement or conclusion through trial
 - Direction of litigation and coordination with staff counsel
- Primary performance measures**
 - Compliance
 - Settlement and CWP results
- Individual skills/abilities required**
 - Technical/business:
 - Casualty technical knowledge
 - Basic awareness of property claim fundamentals
 - Investigation and negotiation skills, including ability to creatively and effectively apply supplemental investigation techniques
 - Can effectively direct litigation and work with staff counsel
 - Strong communication skills
- Other characteristics**
 - Open-minded
 - Skilled judge of questionable cases
 - Assertive, aggressive, not afraid of professional confrontation
 - Resourceful in investigating problems
 - Detail-oriented
- Implementation tips**
 - This unit requires strong processor support (to set appointments, make F.U. calls, etc.)
 - Initial development of resource listing (investigators, interpreters, I.M.E. physicians, chiropractors, accident reconstruction and biomechanical experts, for example) may require substantial front end effort, but will become a critical tool for this unit

Until the implementation processes have been in place long enough to establish clear and final distinctions, existing job and salary structures should be used.

JOB DESIGN/SALARY STRUCTURE: GUIDELINES

- Existing job titles and pay grades will be used
- Differentiation between levels is still appropriate and is based on:
 - Skills
 - Effort required (complexity of role)
 - Responsibility
- Interpersonal and customer service skills are valued in addition to technical and negotiation skills

Current Performance Management policy will still be used; local management should establish the appropriate individual measurements.

PERFORMANCE MANAGEMENT

- Pending levels will still be critical but will no longer be the primary measure of success
- Individual measurements must be linked to the achievement of unit/office goals
- Individual measurements must reflect new processes and requirements (i.e., file reviews)
- All employees should receive adequate direction and time to adjust to new roles
- MCO management should work closely with local Human Resources to establish effective performance improvement programs

DISCUSSION TOPICS



- Organizational structure
- Placement of people
- Staffing model
- Pending transfers

THE STAFFING MODEL

A preliminary model has been developed to assist in evaluating staffing levels. Given its early stage of development and differences in local environments, appropriate use is critical.

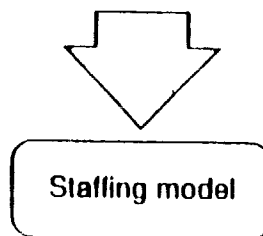
MODEL ATTRIBUTES

What the model can do	What the model cannot do
Provide broad benchmark on overall staffing based on CCPR activities	Precisely define staffing levels for each office
Provide estimate of mix between personal lines, unrepresented and represented casualty units based on overall segmentation requirements	Fine-tune unit staffing levels for local approaches to segmentation
Provide a tool for considering local issues and specialized desks	Exactly define receipt and pending levels for each desk

The first step in the process was to develop the staffing model. A two-tier approach to developing the model has been pursued.

DEVELOPING THE STAFFING MODEL

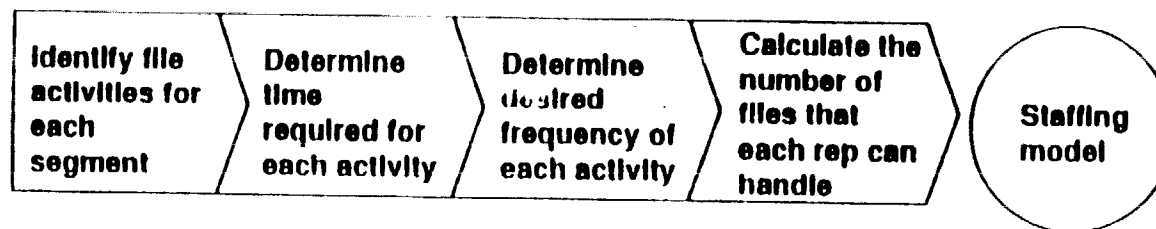
Top down
Analysis of receipts and pending at the test sites provided a high-level understanding of the staffing requirements



Bottom up
Process step time analysis has been utilized to gain a better understanding of segment-specific needs

A four-step process was used to develop the bottom up staffing model.

APPROACH TO DEVELOPING THE STAFFING MODEL



Description

The field identified the activities performed on each segment of files and the time required to perform each activity

Using the liability and damage matrices developed in CCPR, the desired frequency of each activity was determined

Based on activity and time requirements, the number of desired receipts for each segment was calculated

When developing the "bottom up" model, the following time for each process step and file were developed.

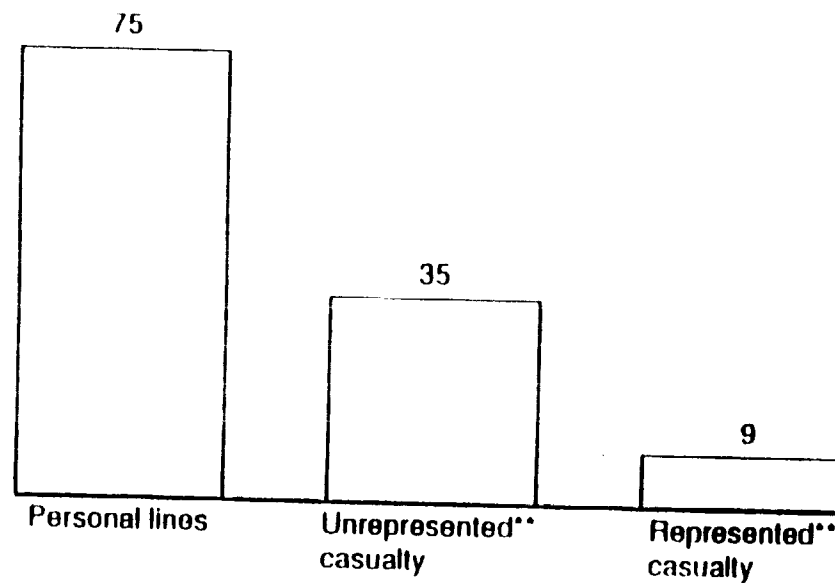
PRELIMINARY CASUALTY STAFFING MODEL APPROXIMATE TIME ALLOCATIONS

Hours

Process	Unrepresented		Represented	
	CWA	CWP	CWA	CWP
Contact/negotiation	3.50-4.25	0.75-1.00	3.25-4.75	1.75-2.50
Liability/Investigation	1.00	1.00	2.25	2.25
Damage Investigation	2.50-4.50	0.75-1.00	4.50-5.00	1.75-2.75
Evaluation	0.50-1.00	0.25	1.50-2.50	0.25-0.75
Other file activities	1.50	1.00	1.75	1.00
TOTAL (not in suit)	9.00-12.25	3.75-4.25	13.25-16.25	7.00-9.25
Suits			10.00	10.00
TOTAL (In suit)			23.25-26.25	17.00-19.25

Based on these benchmarks, average file flows per month can be developed for each type of unit.

BENCHMARK FILE RECEIPTS PER MONTH*



* Regional averages - differences exist across MCOs

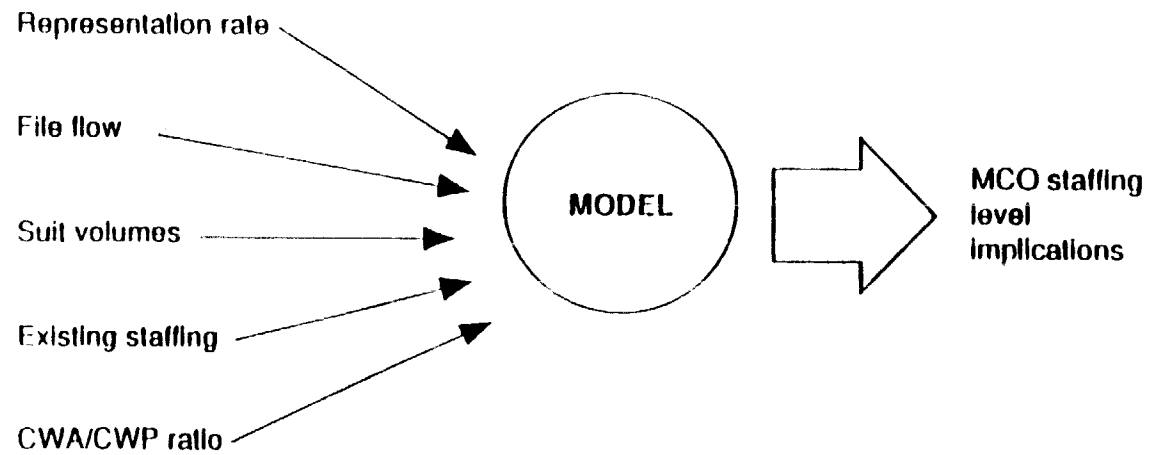
** Double counts of subsequently represented files included

Source: LA Metro closed file review

MCO-specific parameters are required inputs into the model.

MODEL INPUTS

MCO-specific Inputs

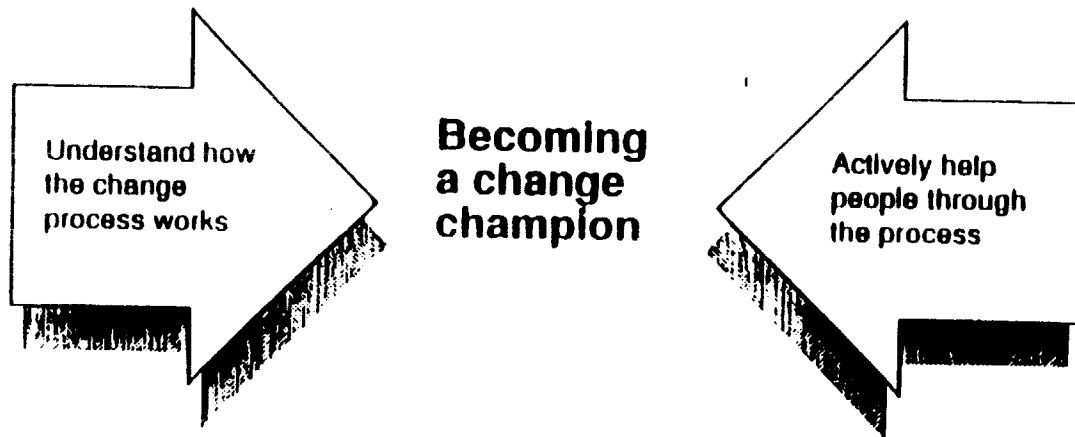


Managing the MCO Environment During Implementation -- Change Roles and Communications

ALLSTATE INSURANCE

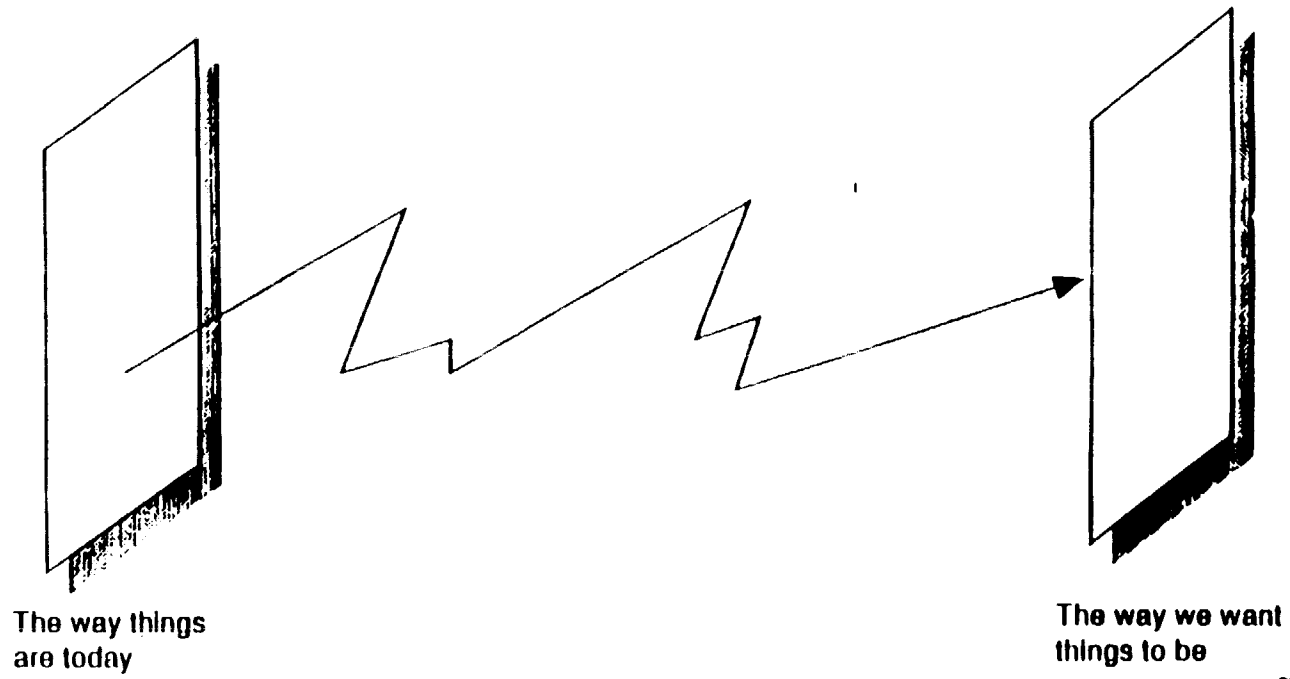
PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

**In addition to your role as trainers, you'll also need to be change champions.
Both roles are critical to success**



00002-085C11

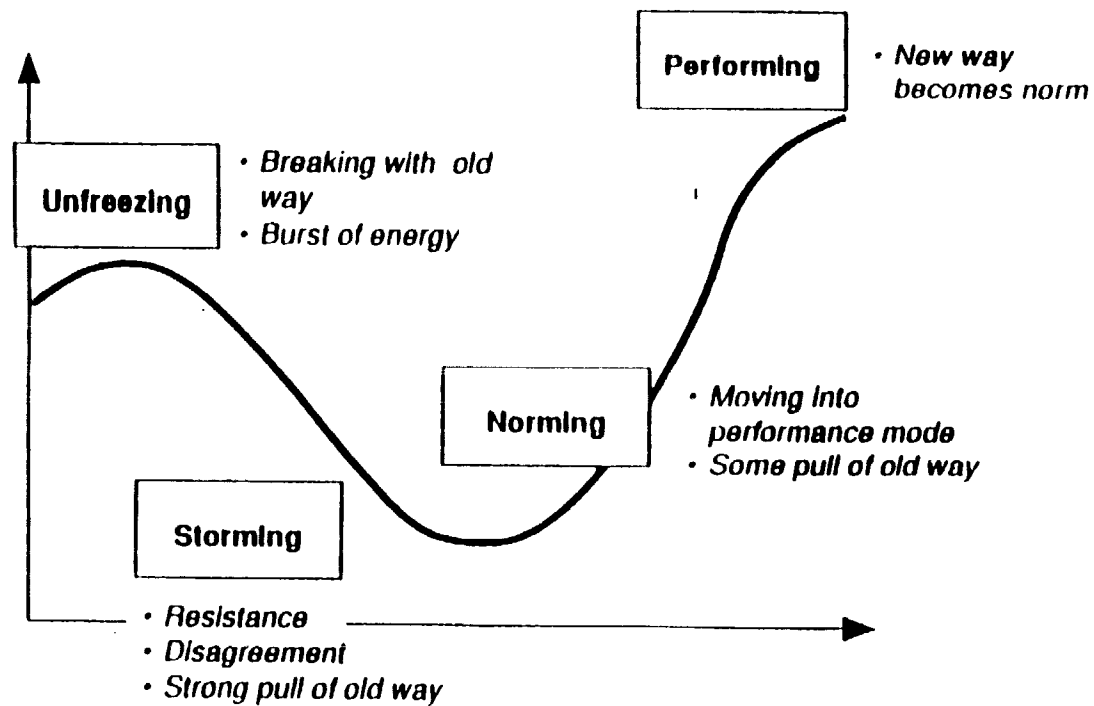
**The first thing to understand about the change process is that it isn't linear –
In fact, it's erratic**



010032-005C11

While the process isn't linear, it does have some predictable phases

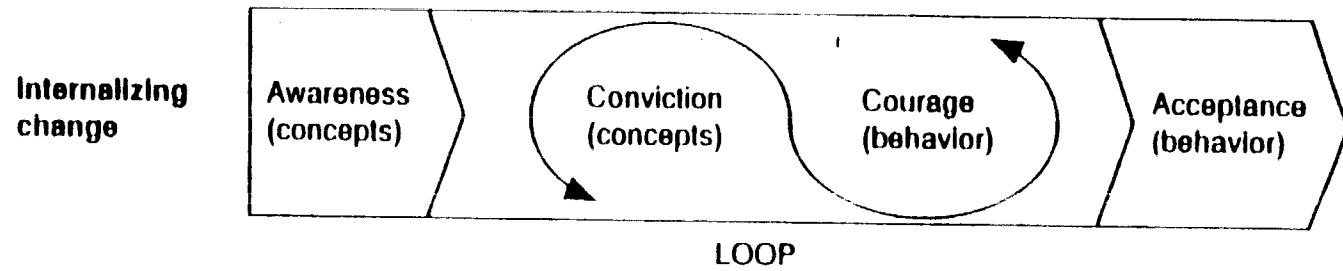
PROGRESS THROUGH CHANGE



000002 085C11

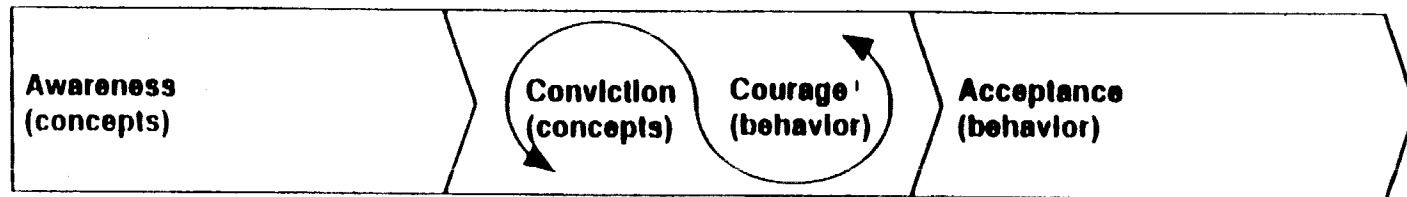
Real change doesn't occur until concepts are internalized and new behaviors are self reinforcing. That takes time

CHANGE DYNAMIC



As change champions, your goal is to help create an environment that will encourage everyone through the cycles of change

CHANGE DYNAMIC



This "loop" is the most critical and time consuming period of change

Constant reinforcement is required

As many as 2/3 of all change efforts fail here

010002 005C11

Within the overall change path, individual reactions to change may be very different – especially at first



Innovators

"Great – let's go for it!"



Followers

"OK I guess, but I was comfortable with the old way!"



Resisters

"This will never work – whose stupid idea was this?"

"Free floating fears" threaten progress

Fear of the unknown

- Inertia
- Assault on comfort zones

Fear of loss

- Loss of attachments
- Loss of influence
- Loss of familiar structure

Fear of failure

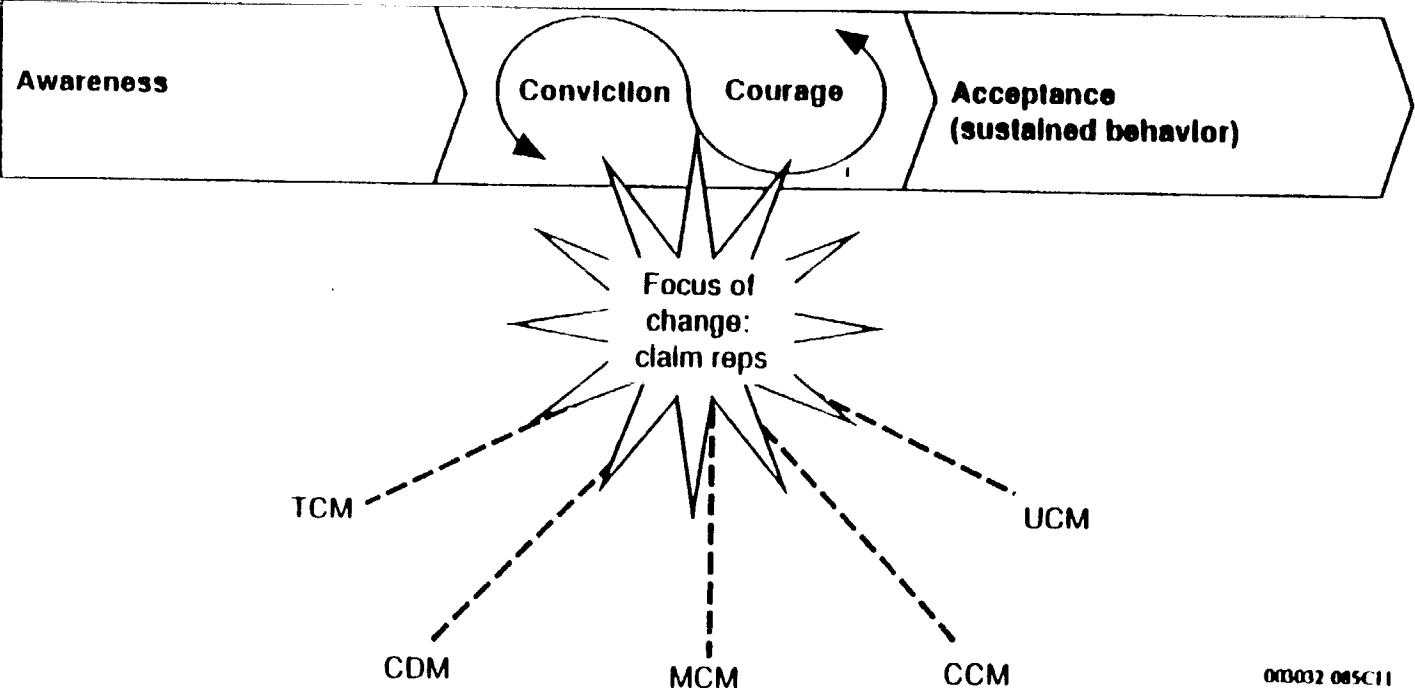
- Concern about learning new things
- Concern about keeping up

Fear of letdown

- Management flip-flop
- Reverting to the past – wasted investment in change

Your collective responsibility as claim managers is to support the claim reps during the conviction/courage "loop" and move them to sustained behavior

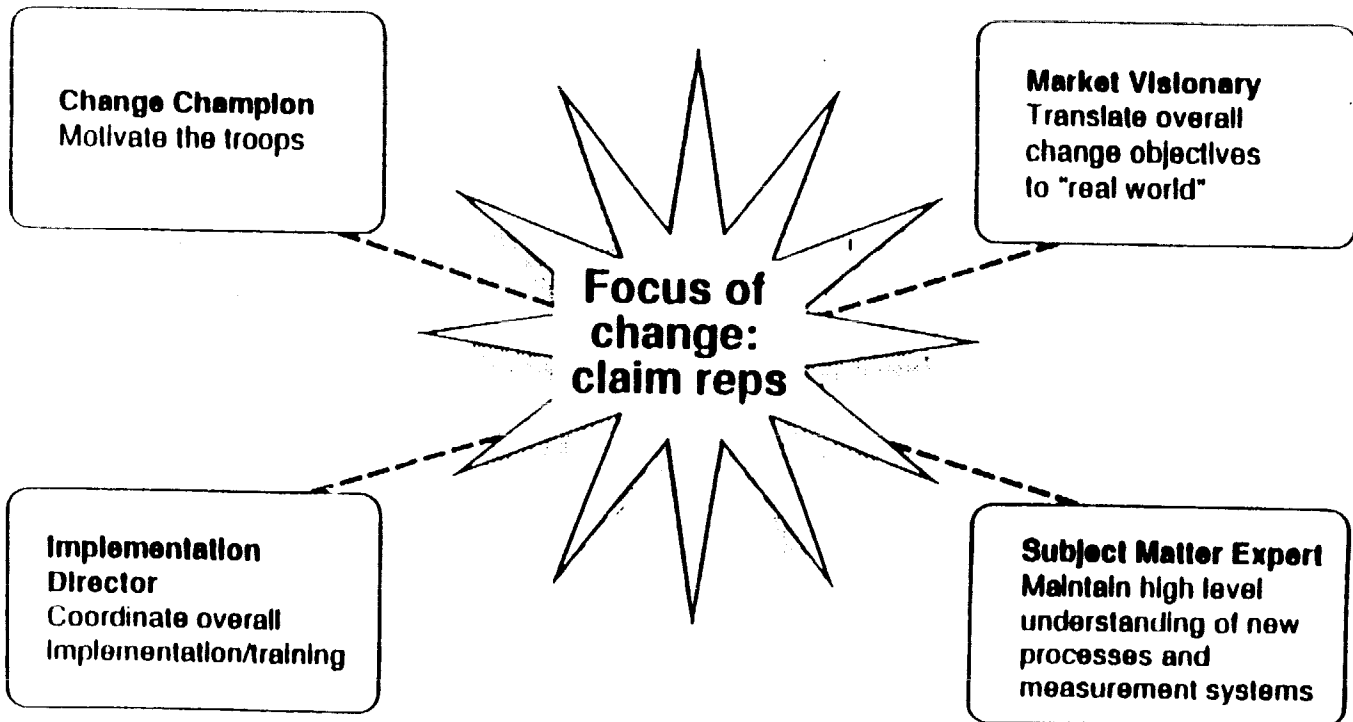
CHANGE TEAM'S CHALLENGE



00002 085C11

Within the claim manager change team, there are some key individual roles

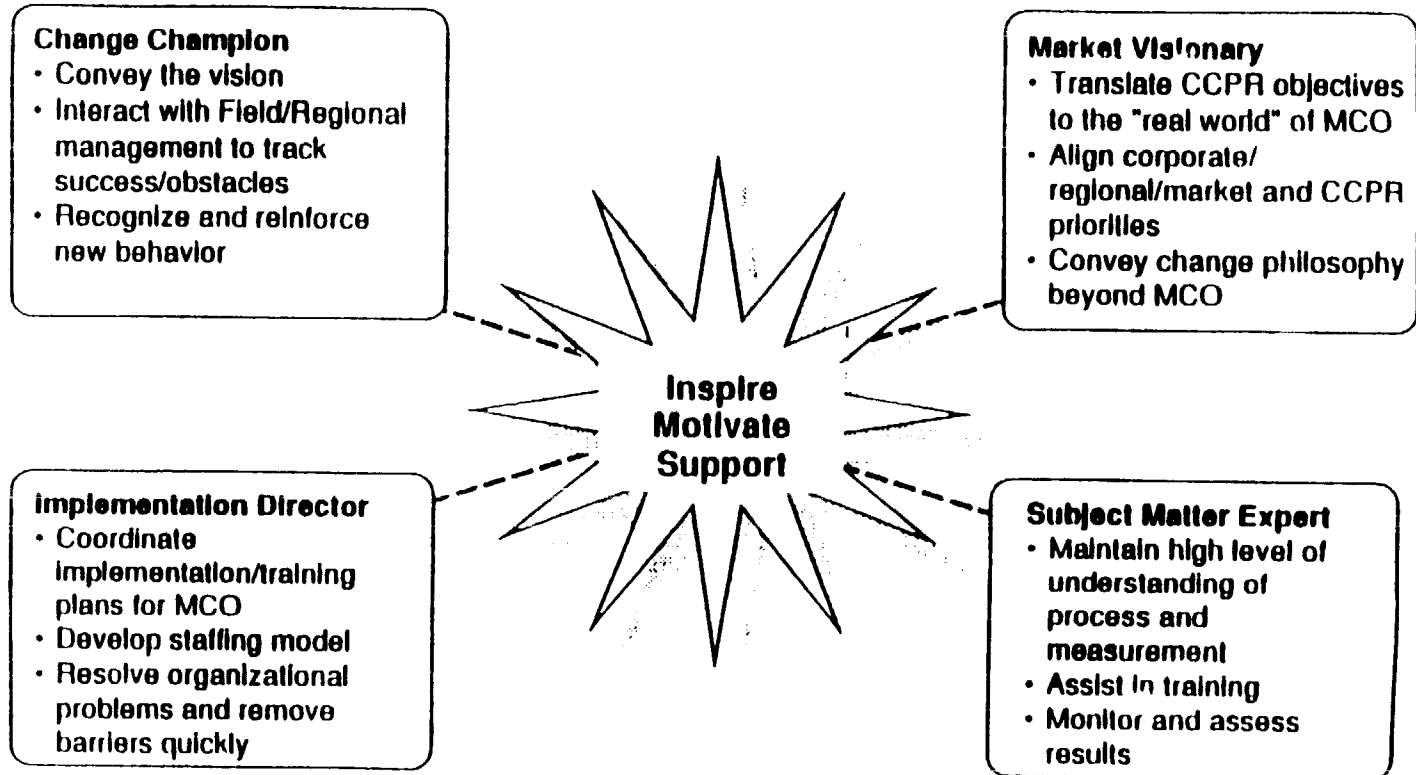
CHANGE ROLES



0001072 085C11

While each role has distinct activities, all roles are driven by the need to inspire, motivate, and support

CHANGE ROLES



00002-085C11

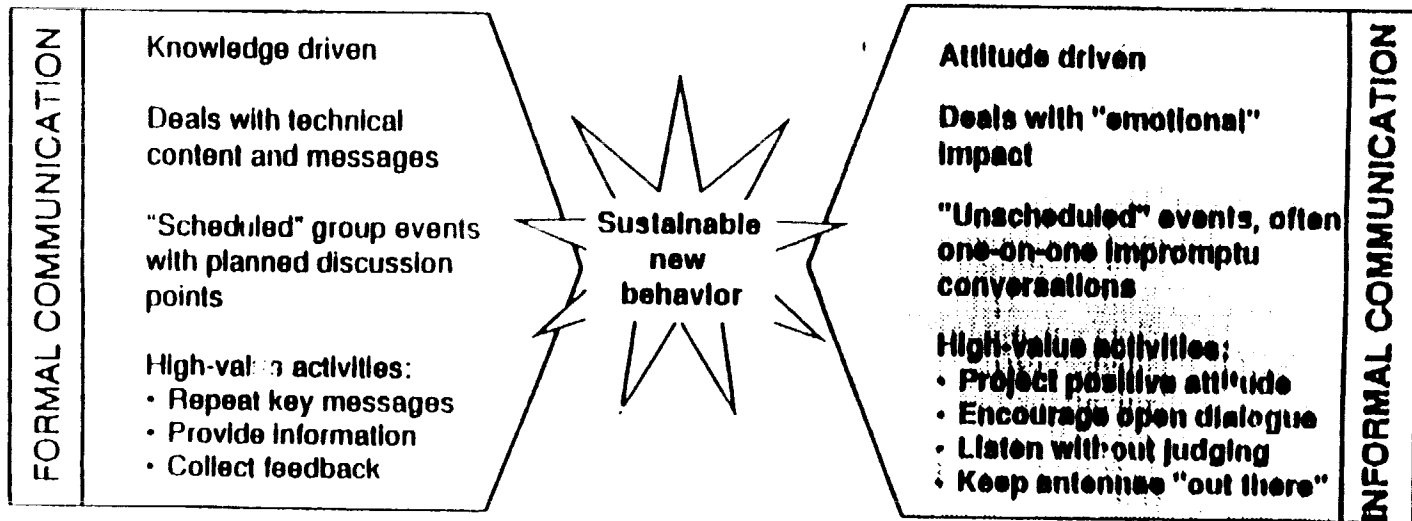
In all change roles, communication is a primary responsibility

**During change,
communication must be . . .**

- Formal and informal
- Straightforward
- Two-way
- Focused on future
- Continuous

Both formal and informal communication are required during change. Each has its own distinctive elements, but informal communication on a daily basis often results in a more lasting impact

COMBINED FORMAL/INFORMAL COMMUNICATION REQUIRED



000002-005C11

Effective communication is based on a foundation of core messages with several key characteristics.

Message characteristics

- Short and concrete
- Tailored to audience (WIFM)
- Positive focus (e.g., what will work)
- Future focus (e.g., goals, outcomes)

Delivery tips

- Reinforce core messages in informal conversation
- Seek opportunities to discuss CCPR and its impact
- Allow messages to be "played back" (ask questions)
- Repeat, repeat, repeat

Core messages are those that explain the scope of CCPR

CORE MESSAGES: WHAT MAKES CCPR NEW?

Isn't CCPR just . . . ?

A modified approach to claim handling

A return to old roles

Rehashed former activities

A program

No, CCPR is . . .

A significant shift in mindset, in the way we think about claim handling

Newly designed roles around represented, unrepresented segments

Bundled activities with tailored support tools

Complete redesign of our environment

In addition, core messages must also address the ultimate impact of CCPR

CORE MESSAGES: WHAT WILL THE NEW ENVIRONMENT BE LIKE?

Current approach	New approach
Authority levels and decision making highly decentralized	More structured approach to decision making and granting of authority
Measurement based on pending	Measurement based on outcomes and key activities
Skills: <ul style="list-style-type: none">• Grow skills after assignment to new job• Promotion by seniority rather than job requirements• Avoid conflict with plaintiff attorneys• Few tools to enhance consistency of decision making	Skills: <ul style="list-style-type: none">• Assess skills, then align the right people with the right jobs• Promote based on performance• Develop skills and styles to "win every claim"• Create tools to support and systematize decision making
Resistant, slow to embrace change	Rewarded for adapting rapidly to changing market environment, and for embracing positive change

00002 085C11

You will need to adapt your approach to the needs of individuals

COMMUNICATION TIPS FOR INDIVIDUALS



Innovators
• Enthusiastic about change

- Encourage them – they risk pressure from their peers
- Recognize the potential of their positive energy – enlist their active support



Followers
• Going along to go along

- Acknowledge that change is hard
- Help them see how their jobs will be better
- Recognize their progress



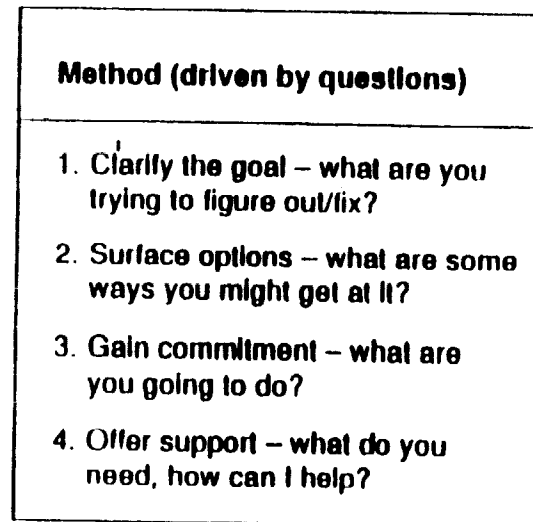
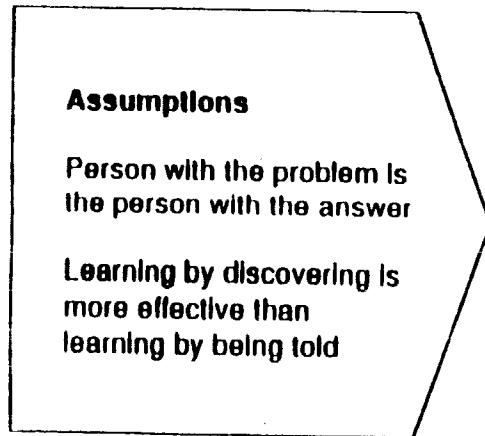
Resisters
• Opposed to change

- Allow them to vent individually, without fear of reprisal
- Work together to find change-related goals they can get excited about

010032 085C11

Another primary responsibility will be to coach individuals through snags and problems. Coaching enables people to solve their own problems and thus leads to sustainable learning and ownership (and relieves you of having to be the sole expert)

COACHING TECHNIQUE



00002-005C11

To help keep the MCO energized, you will need to handle any eruptions of frustration and actively motivate people

Dealing with conflict, anger

1. Do not get defensive – stay calm and listen
2. Paraphrase what you are hearing to indicate understanding and defuse emotion
3. When anger is directed at others, do not get involved by taking sides
4. When anger is directed at you, avoid getting angry in return
5. Correct misinformation tactfully
6. Use coaching techniques whenever possible

Motivating the troops

1. Emphasize what is going well
2. Give positive feedback to individuals on a daily basis
3. Celebrate group "wins"
4. Give honest feedback to managers or others perceived as uninvolved or obstructionist
5. Walk around – ask people how they think it's going
6. Be candid about any setbacks or natural slumps

← 7. Call on your team leader →

00002-085C11

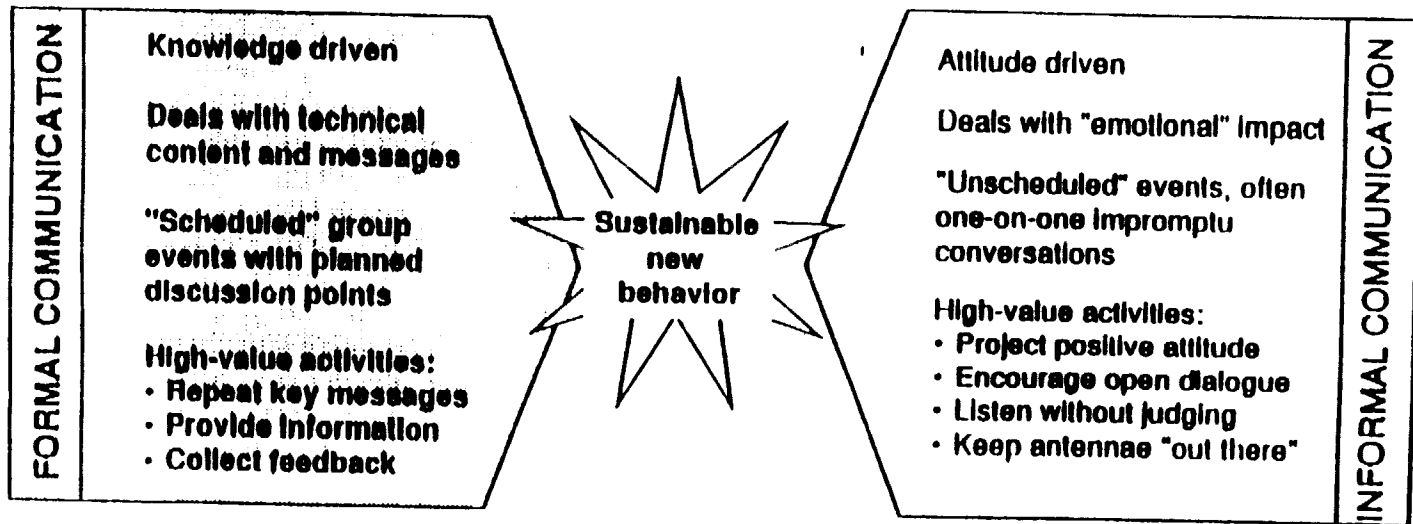
SUMMARY – SUCCEEDING IN YOUR INFORMAL COMMUNICATION ROLE

- **Internalize core messages and repeat/reinforce them**
- **Listen to people; actively invite conversation**
- **Coach rather than instruct – ask questions that allow individuals to solve their own problem**
- **Be consistent and firm about the required changes – don't back down**
- **Motivate the MCO through positive attitude and feedback**

000002 005C11

Both formal and informal communication are required during change. Formal communication – scheduled group events targeted to specific audiences – requires up front planning

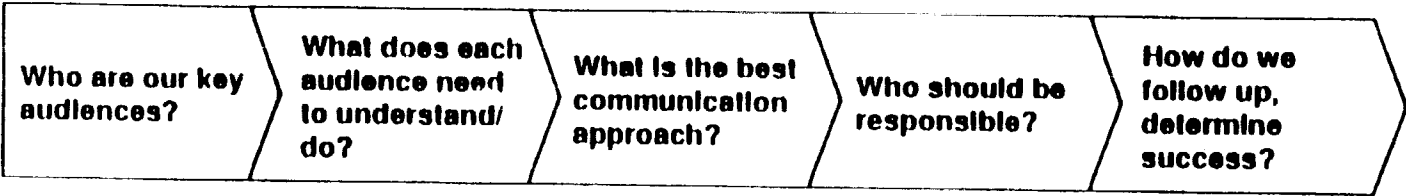
COMBINED FORMAL/INFORMAL COMMUNICATION REQUIRED



000002 005C11

Each region needs to think through its own formal communication needs

FORMAL COMMUNICATION PROCESS



000002 085C11

Many audiences have a stake in CCPR. It is helpful for regions to think of their audiences in two groups

Primary regional audiences (key responsibility – TCM)
RVP
Agents
Property/auto MCOs (where appropriate)
Defense counsel
HR
Underwriting, Controller, etc.

Local audiences (key responsibility – MCM/CCM)
RVP
TCM, CDM
CCM, UCM
Casualty reps
Property and auto units in MCO

As part of implementation prework, regional managers (headed up by TCM) should work with implementation team leaders to develop a regional plan

SAMPLE REGIONAL PLAN

Who are the key audiences?	What does each audience need to understand/do?	What is the best communication approach?	Who is responsible?	How will we follow up, determine process?
1. RVP	<ul style="list-style-type: none"> • Understand challenges and progress of implementation • Reinforce macro messages about CCPR • Provide resources when necessary 	<ul style="list-style-type: none"> • Attend regional management overview • Receive biweekly updates • Make occasional MCO visits • Send regionwide communication(s) on CCPR progress from RVP 	TCM, with support from MCMs	<ul style="list-style-type: none"> • Implementation team leaders with TCM
2. Agents	<ul style="list-style-type: none"> • Understand how the claim process is changing • Report claims quickly, with as much information as possible • Advise unrepresented claimants properly • Answer questions accurately 	<ul style="list-style-type: none"> • Hold special meetings • Update through regional publications 		
3. Property/auto MCOs	<ul style="list-style-type: none"> • Understand how the claim process is changing • Treat unrepresented claimants consistently with new process 	<ul style="list-style-type: none"> • Arrange on-site meeting 		

000032 085C11

SAMPLE REGIONAL PLAN (CONTINUED)

Who are the key audiences?	What does each audience need to understand/do?	What is the best communication approach?	Who is responsible?	How will we follow up, determine process?
4. Defense counsel	<ul style="list-style-type: none"> • Understand how the claim process is changing • Understand MIST in particular 	<ul style="list-style-type: none"> • Include managing attorneys in regional review • Include MIST staff counsel in training • Update through regional publications 		
5. HR	<ul style="list-style-type: none"> • Understand the issues around extended hours • Understand the new goals around promotion, compensation, etc. 	<ul style="list-style-type: none"> • Include managers in regional overview • Hold special meetings on a scheduled basis for updates 		
6. Underwriting, Controller	<ul style="list-style-type: none"> • Understand spirit of the changes • Understand impact on them, points of intersection with CCPR 	<ul style="list-style-type: none"> • Hold special meetings • Provide updates at staff meetings 		

003002-005C11

At the local level, the MCM should work with implementation team members to define a communication plan that allows formal discussion and debriefing on a regular basis

LOCAL COMMUNICATION PLAN – SAMPLE ELEMENTS

MCO overview

- Rehearse MCM
- Begin overview with "CCPR: Waves of Change" video (see speaking points, next page)
- Include whole MCO

Segment-specific debriefs

- Hold debriefs biweekly, facilitated by CCM or UCM with implementation team member support
- Make sessions informal and interactive
- Be sure the debriefs are "bottom up"; claim reps talking, managers listening

MCO updates

- Schedule one or two discussions with rest of MCO (e.g., property unit)
- Stress outcomes, what's changing
- Draw out implications for them and for market

House counsel

- Invite periodically to MCO discussions

000002 005C11

It will be helpful to your MCO to briefly introduce the kickoff video before showing it. Below are suggested set-up points to underscore the video's key messages

SETTING UP "CCPR: WAVES OF CHANGE"

Background of video

Wanted peer perspective on CCPR

- What it's like to go through implementation
- Opinions of the impact of the new processes

Interviewed reps, MCAs, TCM at three MCOs

- Horsham – Valley Forge
- West Palm Beach – Florida Atlantic
- Corona – Southern California

Also wanted to capture the opinion of corporate leadership

- Bob Gary – President, Personal Lines – opens tape
- Jerry Choate – President and CEO – closes tape

What to listen for

Overall theme : **waves of change** – CCPR as the force sweeping claim organization into the future

Bob Gary – we have a great claim organization, but change is necessary

Horsham

- Change is disruptive and takes time, but is worth it
- CCPR is helping us do what's right for our customers

West Palm Beach

- Closed file survey teaches you new things about your market
- Evaluation second look enhances rep's ability and confidence

Corona

- As a result of CCPR changes, reps feel better about themselves and their jobs
- Customers like the new processes

Jerry Choate

- CCPR represents most important change
- We need your energy to push the wave further

SUMMARY – SUCCEEDING WITH FORMAL COMMUNICATION

- **Planning is required** – without it, communication can too easily “fall through the cracks”
- **Claim reps' input should be focus of debriefs** – they are focus of change, not the managers
- **Audiences beyond casualty need to be involved**
- **Follow up is important** – sample activities:
 - Ask claim reps how helpful a debrief was; adjust approach as necessary
 - Help managers determine what they're learning from debriefs and discussions
 - Identify communication next steps

**MISSING
PAGE**

COMMUNICATION PLAN – FRAMEWORK FOR USE WITH REGIONAL AND LOCAL MANAGERS

Who are the key audiences?	What does each audience need to understand/do?	What is the best communication approach?	Who should be responsible?	How will we follow up?

**Managing the MCO
environment during
change –**

MCO breakout session

As a team, think about your MCO. What issues might you face in introducing CCPR?

MCO DIAGNOSTIC – WHAT'S THE ENVIRONMENT LIKE?

What are the key strengths of your MCO?

1.
2.
3.

What will claim reps like about CCPR?

1.
2.
3.

What are key weaknesses, gaps in your MCO?

1.
2.
3.

What might claim reps worry about, or what other issues might get in the way of CCPR?

1.
2.
3.

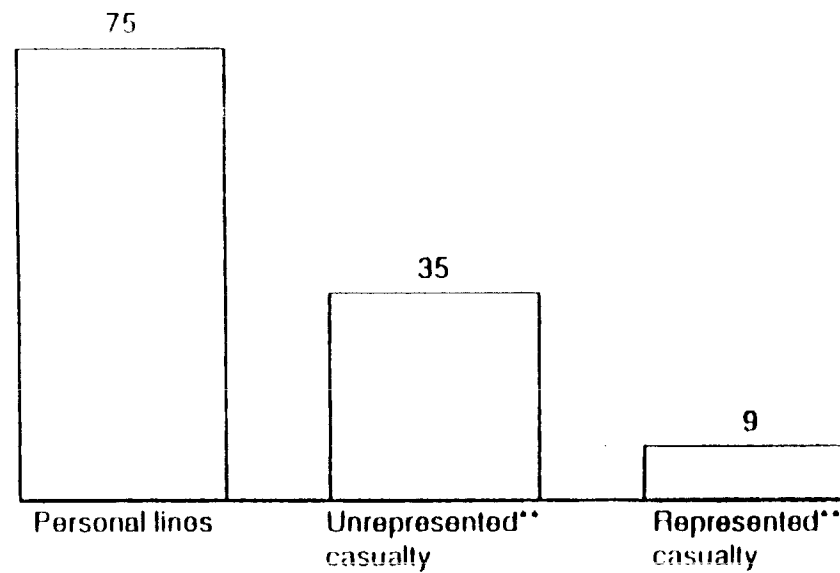
000002-005C11

MCO-specific parameters are required inputs into the model.

|

Based on these benchmarks, average file flows per month can be developed for each type of unit.

BENCHMARK FILE RECEIPTS PER MONTH*



**MISSING
PAGE**

**MISSING
PAGE**

**MISSING
PAGE**

**MISSING
PAGE**

MCO CHANGE TEAM – ROLES AND ACTION STEPS (CONTINUED)

Change role	Player(s) – who has this responsibility?	Key steps – how will he/she get started in this role?
<p>2. MARKET VISIONARY</p> <ul style="list-style-type: none"> • Translate overall change objectives to "real world" of MCO • Align corporate, regional, market and CCPA priorities • Ensure effective use of human and financial resources and identify gaps • Tap into local/regional networks to convey change philosophy beyond MCO 		<ol style="list-style-type: none"> 1. 2. 3.

000002 005C11

**MISSING
PAGE**

MCO CHANGE TEAM – ROLES AND ACTION STEPS (CONTINUED)

Change role	Player(s) – who has this responsibility?	Key steps – how will he/she get started in this role?
<p>3. IMPLEMENTATION DIRECTOR</p> <ul style="list-style-type: none"> • Coordinate overall implementation and training plans for MCO • Develop staffing model • Manage conflicts created by reorganization/realignment of workloads • Resolve organizational problems and remove barriers quickly to keep change moving forward • Update Implementation team on concerns/recommendations 		<ol style="list-style-type: none"> 1. 2. 3.

00002-005C11

**MISSING
PAGE**

MCO CHANGE TEAM – ROLES AND ACTION STEPS (CONTINUED)

Change role	Player(s) – who has this responsibility?	Key steps – how will he/she get started in this role?
<p>4. FRONT-LINE CHANGE CHAMPION</p> <ul style="list-style-type: none"> • Maintain high level understanding of new processes and measurement system and assist in training • Assess overall casualty performance at regular intervals • Monitor consistency of results with process requirements • Foster open communication/ feedback • Exemplify positive change behavior 		<ol style="list-style-type: none"> 1. 2. 3.

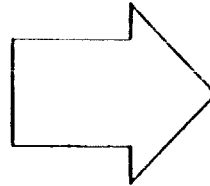
000032 085CTT

The model incorporates several key assumptions relating to pending levels.

KEY ASSUMPTIONS

The time required on each file is driven by the activities required on each file

Differences in pending time do not impact the activities required on each file



The desired pending level is an output of the model, not an input

**MISSING
PAGE**

**MISSING
PAGE**

These parameters are obtained through three data sources.

MODEL DATA SOURCES

	C122	Local closed file survey	MCO organizational analysis
Description	File flow volume and CWA/CWP ratios are obtained from the C122	300-400 files are reviewed at each MCO to establish performance baselines and gather input into the staffing model. The survey includes 8-10 straightforward questions	The MCO profiles its existing organization and staffing levels by unit
Data	Total auto files	CWA representation rate	Unit structure and size
	Agent handled claims	CWP representation rate	
	Coverage mix	Percent of represented closures in suit	
	CWP rate	Average represented pending time	

MCO ORGANIZATION

MCO: _____

Unit description	EOM staffing		Auto files (YTD X cats) transfers				
	Reps	Claim processor	Opens	In	Out	Closed	Pending
Auto personal lines							
Initial action casualty							
Intermediate casualty							
Continuing casualty/litigation							
PIP/MED pay							
Auto/property field/technical							
Property personal lines							

Management, clerical, switchboard							
TOTAL	_____	_____	_____	_____	_____	_____	_____

Tie to EOM staff

Tie to YTD C122 and attach copy

Examining an example demonstrates how the mix of claims . . .

PRELIMINARY CASUALTY STAFFING MODEL – EXAMPLE ANALYSIS

	MCO A	MCO B
Tort status	Dollar 1	Threshold
Relative pending time	Short	Long
Annual auto files opened (excluding agent handled)	10,000	10,000
Percent casualty (including \$2/\$3 A)	25	25
CWA representation rate (percent)	40	80
Casualty CWP rate (percent)		
• Unrepresented	25	35
• Represented	60	85
• Total	50	65
Percent of represented files closed in suit	25	50

... can dramatically affect overall staffing levels.

PRELIMINARY CASUALTY STAFFING MODEL – EXAMPLE ANALYSIS

	MCO A		MCO B	
Estimated personal lines/casualty staffing	19-25		24-32	
Approximate processor support	25		25	
Staffing mix by unit	<u>Adjusters</u>	<u>Processors</u>	<u>Adjusters</u>	<u>Processors</u>
• "Personal lines"	30	45	25	35
• Unrepresented casualty	40	25	20	20
• Represented casualty	<u>30</u>	<u>30</u>	<u>55</u>	<u>45</u>
	100	100	100	100
Approximate files/month (including processors)				
• "Personal lines"	65-85		65-85	
• Unrepresented casualty	22-30		29-39	
• Represented casualty	7-10		5-7	

A number of factors must be considered when applying the model to make MCO and regional staffing decisions.

KEY FACTORS TO CONSIDER

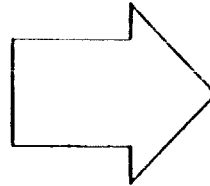
- Required local deviation from benchmark activities
- Experience and skill levels of individuals
- Market growth plans
- Staffing and efficiency levels in the remainder of the MCO
- Span of control/current management staffing
- Current pending vs. historical norms

The model incorporates several key assumptions relating to pending levels.

KEY ASSUMPTIONS

The time required on each file is driven by the activities required on each file

Differences in pending time do not impact the activities required on each file



The desired pending level is an output of the model, not an input

Again, the pending level should be an output to the model.

1

EXAMPLE OF PREDICTED PENDING

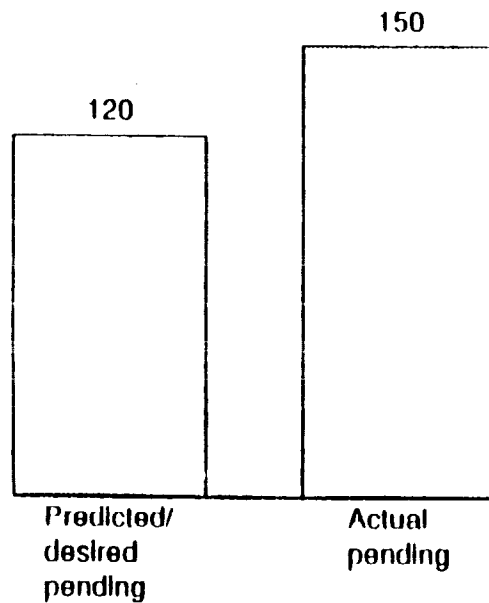
Target receipts per month	10
Average pending time	X 12 months
Predicted/desired pending	<u>120*</u>

* This is an average pending per employee in the unit. It includes processors. A unit of 4 reps plus 1 processor would carry a pending of 600

If an MCO's existing pending is out of sync with the predicted pending levels, the MCO should employ some short-term tactics to bring the two in line.

PENDING MISMATCH

Number of files



Options

Use temps

Temporarily add staff

Delay attrition

Outsource some activities

DISCUSSION TOPICS

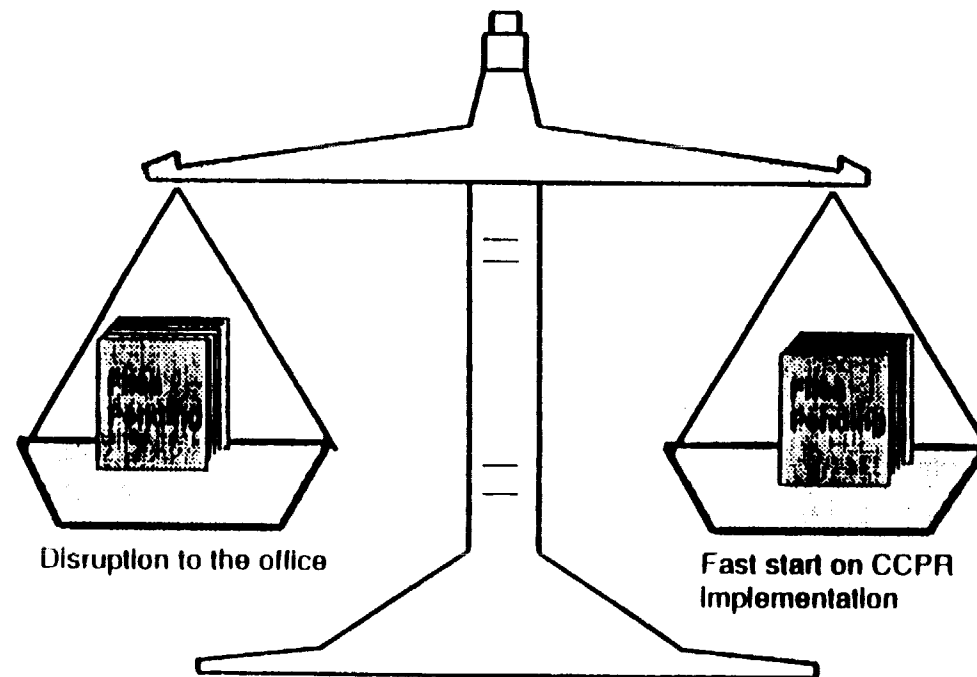
- Organizational structure
- Placement of people
- Staffing model
- Pending transfers



PENDING TRANSFER

The transfer of pending files is likely to be one of the biggest conversion issues every MCO will face. Transfer decisions should try to balance getting a fast start on implementation with controlling the level of disruption to the office.

BALANCING PENDING TRANSFERS



Each MCM should develop a file transfer plan which balances the need to get a quick start and the disruption that file transfers cause.

SAMPLE FILE TRANSFER PLAN

SAMPLE

Step	Timing
1. Transfers all represented non-MIST files from the Unrepresented Unit to the Continuing Unit	Week 4*
2. Transfer all represented non-MIST files from MIST Reps to the Continuing Unit	Week 4
3. Unrepresented Unit transfers represented MIST files to MIST desk(s)	Week 5
4. Continuing Unit(s) transfer to the MIST desk(s) all MIST files where closure is not imminent	Week 5
5. UM files are moved to the UM specialists	Week 6

* Week 4 of the Implementation effort

NEXT STEPS

1. Identify pending files by segment*
 - Unrepresented BI and CPL
 - Unrepresented UM
 - Represented UM
 - Represented MIST
 - All other represented
2. MCO management quantifies total pending by segment
3. Apply staffing mix percentage to determine appropriate staff parameters per segment
4. Identify specific reps per segment by name
5. Transfer pending files

* Secure updated List 57, distribute to all casualty reps

ISSUES TO CONSIDER

- **Unrepresented**
 - Unit representatives should not retain any represented pending
 - Unrepresented pending can be kept in other units until resolved (however, no new unrepresented receipts will be received)
- **Represented UM**
 - All pending represented UM files should be transferred to the UM specialist
 - Depending on volume, the UM specialist may handle other represented files excluding MIST
- **Represented MIST**
 - All minor-impact (\$1,000 or less) soft tissue represented pending files should be transferred to the MIST specialist
- **All other represented**
 - The balance of the represented pending should be distributed to casualty representatives

There are special challenges which come up when implementing CCPR in an FCO or small MCO. These issues should be addressed on a location by location basis.

ISSUES

- Staffing of unrep, rep, and MIST segments
- Management of the segments
- Staffing of extended hours
- Implementing the role of the E/C
- Bank clearing
- Use of processors
- Inclusion of FCO in kickoff and other meetings
- Training sessions and size of audience
- Staff council support
- Include the entire FCO in implementation

CONFIDENTIAL

Organization Workshop

ALLSTATE INSURANCE

Allstate Training

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

DISCUSSION TOPICS



- Organizational structure
- Placement of people
- Staffing model
- Pending transfers

ORGANIZATIONAL STRUCTURE

There are a limited number of organizational standards every MCO must follow.

MCO REQUIREMENTS

- All unrepresented files must be separated from represented files
- The unrepresented unit should receive all files with known BI or high probability of an injury
- All represented minor-impact soft tissue claims belong at the MIST desk(s)
- All unrepresented UM files should be handled by designated unrepresented UM specialists
- If possible, all represented UM files should be handled by designated represented UM specialists
- All evaluated files* must be seen by the evaluation consultant

* Excluding those claims which qualify for fast track evaluation

Given these requirements, every MCO is free to decide on its own organizational structure. There are, however, a number of potential issues which each MCO may want to consider when making structural decisions.

ORGANIZATIONAL ISSUES

- What impact will the size of the office have on my structure?
- How do I determine what constitutes high probability of an injury?
- Is my pool of UM sufficient enough to warrant a full-time UM specialist?
- Do we have enough volume to warrant a full-time evaluation consultant? If not, what are his/her other duties?
- Does this mean I have to change the structure for represented claims?

Current test sites have chosen a variety of structures all of which work for the individual office. For example, some have chosen to handle unrepresented responsibilities differently.

UNREPRESENTED STRUCTURE: TEST SITES

Site	Description	Pros	Cons
Horsham	<ul style="list-style-type: none">• Probable liability handled via rapport unit<ul style="list-style-type: none">- Known Injury- Possible Injury• Remainder to personal lines• No Injury, clear liability handled via processor	<ul style="list-style-type: none">• Clear focus• Segmented expertise• Resource allocation	<ul style="list-style-type: none">• More complicated dispatch• Workload "bubbles"• Potential transfer
San Antonio	<ul style="list-style-type: none">• Injury and noninjury files equally distributed• Single car, no injuries handled via processor	<ul style="list-style-type: none">• Ease of dispatch• Workload distribution• Avoid file transfers	<ul style="list-style-type: none">• Does not focus specific expertise• Less focus on specific segments

A variety of options exist for represented handling as well.

REPRESENTED STRUCTURE: TEST SITES

Site	Description	Pros	Cons
Horsham	<ul style="list-style-type: none">• Files developers handle initial PD, liability, and damage investigation• Negotiators evaluate and negotiate	<ul style="list-style-type: none">• Concentration of expertise• Training and development	<ul style="list-style-type: none">• Less end to end file ownership
San Antonio	<ul style="list-style-type: none">• Single claim rep from start to finish	<ul style="list-style-type: none">• File ownership• Avoids handoffs, transfers, and reevaluation	<ul style="list-style-type: none">• Potential skill gaps

CONFIDENTIAL

Adopting a New Approach to Measurement

ALLSTATE INSURANCE

JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION TO ANY THIRD PARTY

DISCUSSION TOPICS

1. Provide an overview of new key measurements and changes
2. Explain new measurement structure and process
3. Explain how to use new measurement tools and forms
4. Introduce use of periodic file reviews

Four new measurements have been developed to support the new casualty processes.

NEW PERFORMANCE MEASURES

Measure	Description	Rationale
Contact time	Personal contact with the claimant, spouse, or guardian. Calculated from date of loss. Excludes claimants CWP'd in same month as opened	Quicker time to contact results in improved customer service and lower representation rates, which drive lower closed costs
Representation rate	Measured by report month for last 12 months based on CWAs to date and pending claimants	Lower representation rates drive lower severities and closed costs
Evaluation results	Percent of paid losses to evaluated amount, allows for reevaluations	The new evaluation tools and processes will help drive more consistent and accurate evaluations
MIST Identification	Severity levels by each new segment; split into paid and closed costs	New file segmentation will result in lower severities through improved processes and work flow

Regardless of the baseline levels, each MCO is expected to meet aggressive goals.

CCPR GOALS

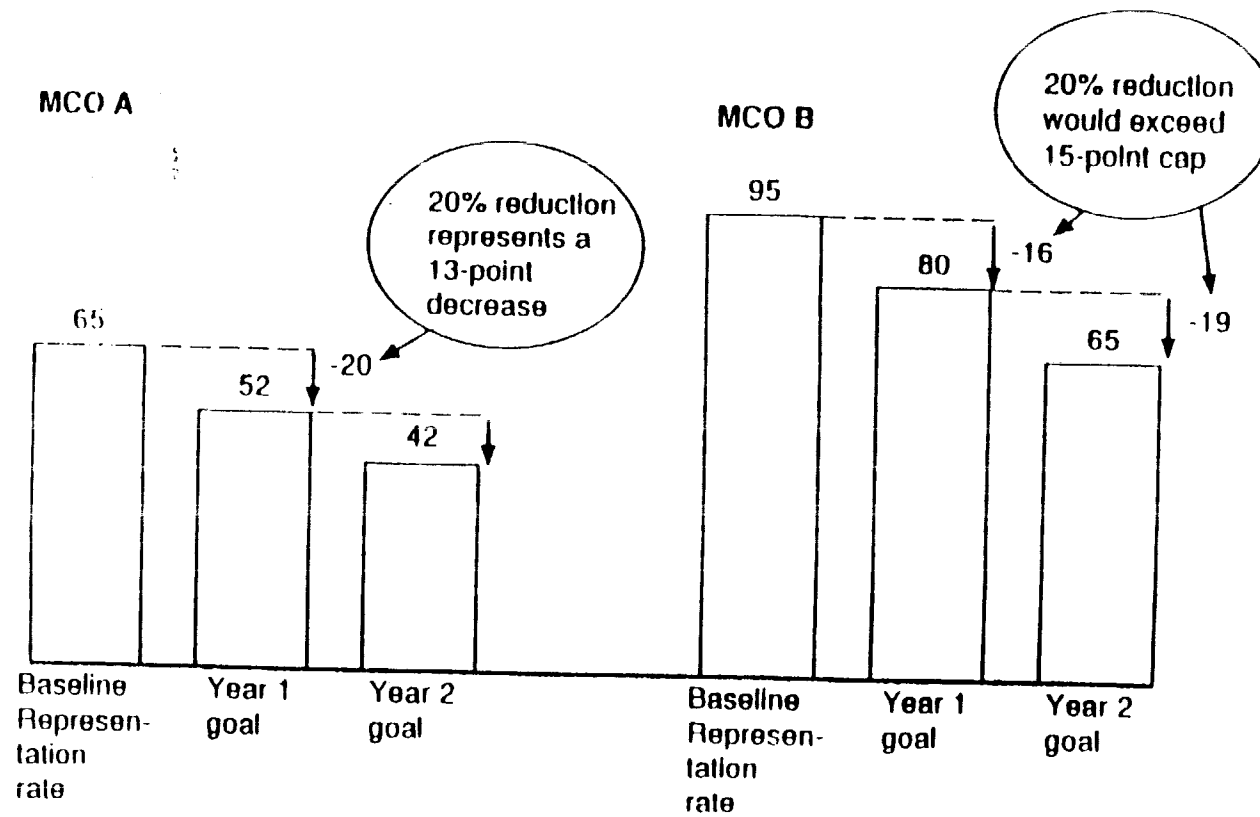
Measure	Year 1*	Year 2
Contact time	33% of claimants contacted within 1 day 67% contacted within 3 days	40% of claimants contacted within 1 day 80% contacted within 3 days
Representation rate	20% reduction off of baseline 90 day representation rates. The goal is capped at a maximum of 15 point reduction. Ultimately, the measure will change to CWP rep rate	An additional 20% reduction (with 15 point cap) off of the original baseline. In other words, the goal is cumulative
Evaluation results	Average claim settlement is equal to the amount established through the evaluation process	Average claim settlement is equal to the amount established through the evaluation process
MIST Identification	Number of files handled through the MIST desk equals 100% of the target established through the baseline survey	Number of files handled through the MIST desk equals 100% of the target established through the baseline survey

* Measured as the run rate 6 months after implementation

The CAP comes into play in highly represented areas.

EXAMPLE OF REPRESENTATION RATE CAP

Percent



Note: CAP comes into play when representation rates exceed 75%.

The new measurement system may negatively impact traditional measurements during the initial conversion. However, long-term impact on these measures is expected to be positive.

CCPR MEASUREMENT: POTENTIAL IMPACT ON TRADITIONAL MEASURES

Potential areas of initial deterioration	Influenced by	Suggested follow-up review
Pending <ul style="list-style-type: none"> • Overall • 30/60/90 	<ul style="list-style-type: none"> • MIST • Evaluation • Settlement at claimant's pace • Representation rates 	<ul style="list-style-type: none"> • Pending by segment • Representation by month • Targeted file reviews
Allocated expense	<ul style="list-style-type: none"> • Investigation • Evaluation • MIST • Representation rate 	<ul style="list-style-type: none"> • Severity in represented segment • Targeted file reviews
Suit volume	<ul style="list-style-type: none"> • Evaluation • MIST • Representation rate 	<ul style="list-style-type: none"> • Severity in represented segment • Targeted file reviews • Trial results
Loss of use	<ul style="list-style-type: none"> • LOU flexibility 	<ul style="list-style-type: none"> • Representation rates • LOU report • Targeted file reviews

On the other hand, improvements are expected on several key measures.

CCPR MEASUREMENT: POTENTIAL IMPACT ON TRADITIONAL MEASURES

Long-term improvement expected	Influenced by	Suggested follow-up review
Calendar and report year severities	<ul style="list-style-type: none"> • Initial mix of settlements • Extent of reevaluation of current pending 	<ul style="list-style-type: none"> • Severity by age and segment • Evaluation pending • Severity by segment
BI/PD ratios – gross and net	<ul style="list-style-type: none"> • Rapport activities • MIST 	
UM subrogation	<ul style="list-style-type: none"> • Length of time to collect 	
Short-term improvement expected		
Added A%	<ul style="list-style-type: none"> • Contact time • Initial dispatch • Desk transfers 	<ul style="list-style-type: none"> • Contact time • Targeted file reviews
Deterioration not expected		
Reopen %	<ul style="list-style-type: none"> • Closure policy • MIST CWP's 	<ul style="list-style-type: none"> • Targeted file reviews
PAC %	<ul style="list-style-type: none"> • Contact 	

MEASUREMENT SYSTEM AND PROCESS

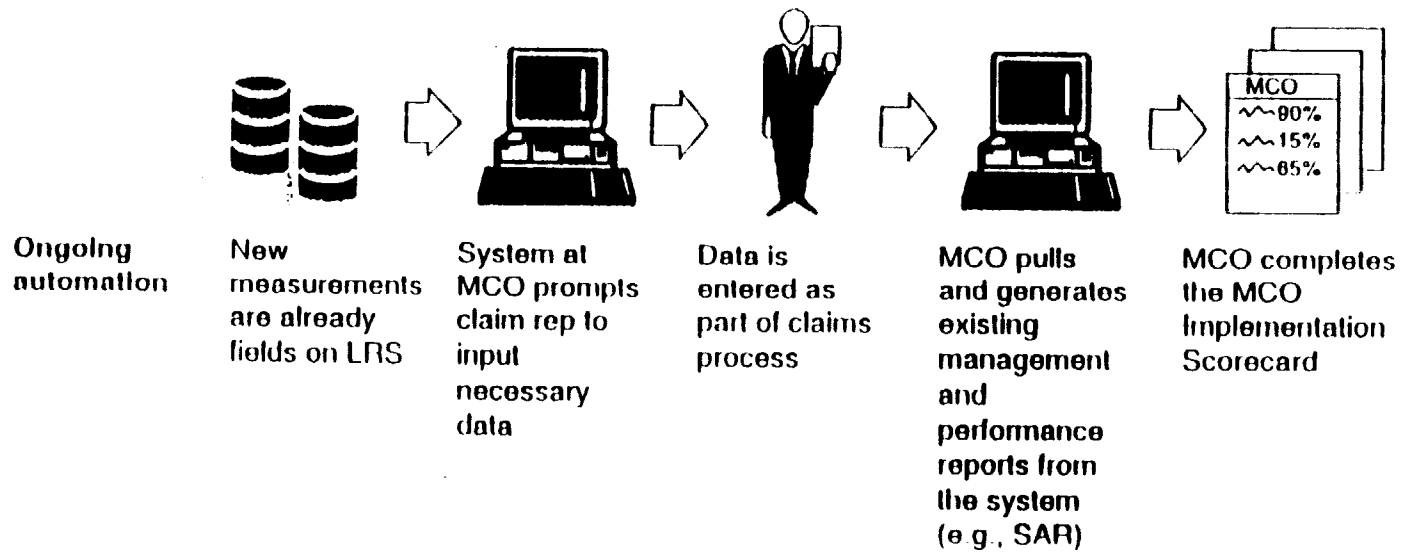
The design of the measurement system is based on a number of simple objectives.

SYSTEM OBJECTIVES

- Capture all data needed to evaluate performance
- Minimize pain of data acquisition
- Ensure that data collection and reporting is complete and consistent everywhere
- Provide all necessary reports to all organizational levels

The new measurement system will be automated to become a part of the regular office work flow.

OVERVIEW OF THE MEASUREMENT SYSTEM



A number of reports have been created to support implementation for both ongoing measurements and the pilot.

NEW MEASUREMENT REPORTS

Report	Description	Source	Responsibility	Frequency
1. MCO Implementation Scorecard	Tracks implementation progress on several key measures starting from baseline	OIS database CCPR management reports	Regional controller TCM	Monthly
2. Management reports - Contact time - Representation rate - Evaluation result - Severity by segment - Pending by segment	Tracks performance along specific key measures to help MCO management gauge progress and to identify specific areas for improvement by claim rep and unit	SAR	MCM CCM UCM	Monthly

Each MCO should designate one measurement coordinator who can accurately explain new measurement processes and procedures to all claims personnel and who can manage the flow of data collection and tracking in the office.

MEASUREMENT COORDINATOR – KEY RESPONSIBILITIES

- Introduce and explain all new reports/forms to office
- Field all questions relating to measurement procedure, and help clarify exactly what is to be done
- Ensure timely and accurate collection and reporting of data
- Assist MCO management interpreting results

MEASUREMENT FORMS AND EXAMPLES

A number of new reports and forms have been designed to measure the effects of implementation. For each, detailed instructions, along with examples, are provided.

FORMS – REPORTS

- Management reports
 - Contact time
 - Representation rate
 - Evaluation result
 - Severity by segment
 - Pending by segment
- MCO Implementation scorecard
- File Review Sheets
 - Unrepresented
 - Represented

MANAGEMENT REPORT – CONTACT TIME

Description	<ul style="list-style-type: none">• For each rep, it indicates the percentage of time contact has been made within 0 days, 1 day, 2-3 days, etc.• Contact times are calculated for all claims excluding those CWP'd in the same month as opened• The report should be used by the unrepresented claim reps to assess and manage performance and to determine if goals are being met
Suggested frequency	<ul style="list-style-type: none">• Monthly
Distribution	<ul style="list-style-type: none">• MCM• CCM• Unrepresented UCM• Unrepresented reps
Source	<ul style="list-style-type: none">• SAR

MANAGEMENT REPORT – REPRESENTATION RATE

Description	<ul style="list-style-type: none"> • Tracks the number and percentage of total represented and unrepresented claimants by original desk location in each month. Gives total number also broken down by CWA, CWP, and pending. Measured by the number of claimants opened within each month (i.e., number of claimants is constant, but percentages change based on age of development at 30, 60, 90 days, etc.) • Should be used by the unrepresented UCM to monitor representation rates by claim rep and unit to assess and manage individual performance against set goals • Calculated for all claims which have been CWA'd or are still pending. Compare rep rate at 90 days to baseline 90 day rep rate for progress
Suggested frequency	<ul style="list-style-type: none"> • Monthly
Distribution	<ul style="list-style-type: none"> • MCM • CCM • Unrepresented UCM(s) • Unrepresented claim reps
Source	<ul style="list-style-type: none"> • SAR

MANAGEMENT REPORT – SEVERITY BY SEGMENT

Description	<ul style="list-style-type: none">• Measures number of CWPs, CWAs, and severity levels by desk location. Data is broken out by representation status, suit status and injury type• Should be used by all managers to monitor and manage individual performance on CWP and CWA rate, paid losses, paid severities, and closed costs• Only closed files are included in this report
Suggested frequency	<ul style="list-style-type: none">• Monthly
Distribution	<ul style="list-style-type: none">• MCM• CCM• UCM(s)• Claim representatives
Source	<ul style="list-style-type: none">• SAR

MANAGEMENT REPORT – PENDING BY SEGMENT

Description	<ul style="list-style-type: none"> • Tracks the number of pending claimants by file type for each desk location. Excludes number of pending files which are "pre-conversion" • Should be used by all managers to monitor pending levels by rep and by unit. Pending levels should not be used as a method of evaluation of reps – simply as a gauge
Suggested frequency	<ul style="list-style-type: none"> • Monthly
Distribution	<ul style="list-style-type: none"> • MCM • CCM • UCM(s) • Claim representatives
Source	<ul style="list-style-type: none"> • SAR

REPORT – MCO IMPLEMENTATION SCORECARD

Description	<ul style="list-style-type: none"> • Tracks progress on the implementation effort against several key measures <ul style="list-style-type: none"> – CCPR measures – Traditional OIS measures • Compares performance against historic baselines
Responsibility	<ul style="list-style-type: none"> • Regional controller completes the scorecard using and CCPR reports • TCMs review results, comment and return scorecards to controller. Controller forwards scorecard to home office (Steve Verney)
Frequency	<ul style="list-style-type: none"> • Monthly
Distribution	<ul style="list-style-type: none"> • Regional controllers • TCM • MCMs • CCMs
Source	<ul style="list-style-type: none"> • OIS • CCPR Management Reports

PERIODIC FILE REVIEW

File reviews should reflect the new processes which result from CCPR.

SUGGESTED USES

For	For all claim reps to check progress on CCPR processes
Given by	<ul style="list-style-type: none"> • UCM(s) • CCM
Frequency	Weekly at first; should become regular on a monthly basis
How many	5-10 per rep

APPENDIX/MEASUREMENT

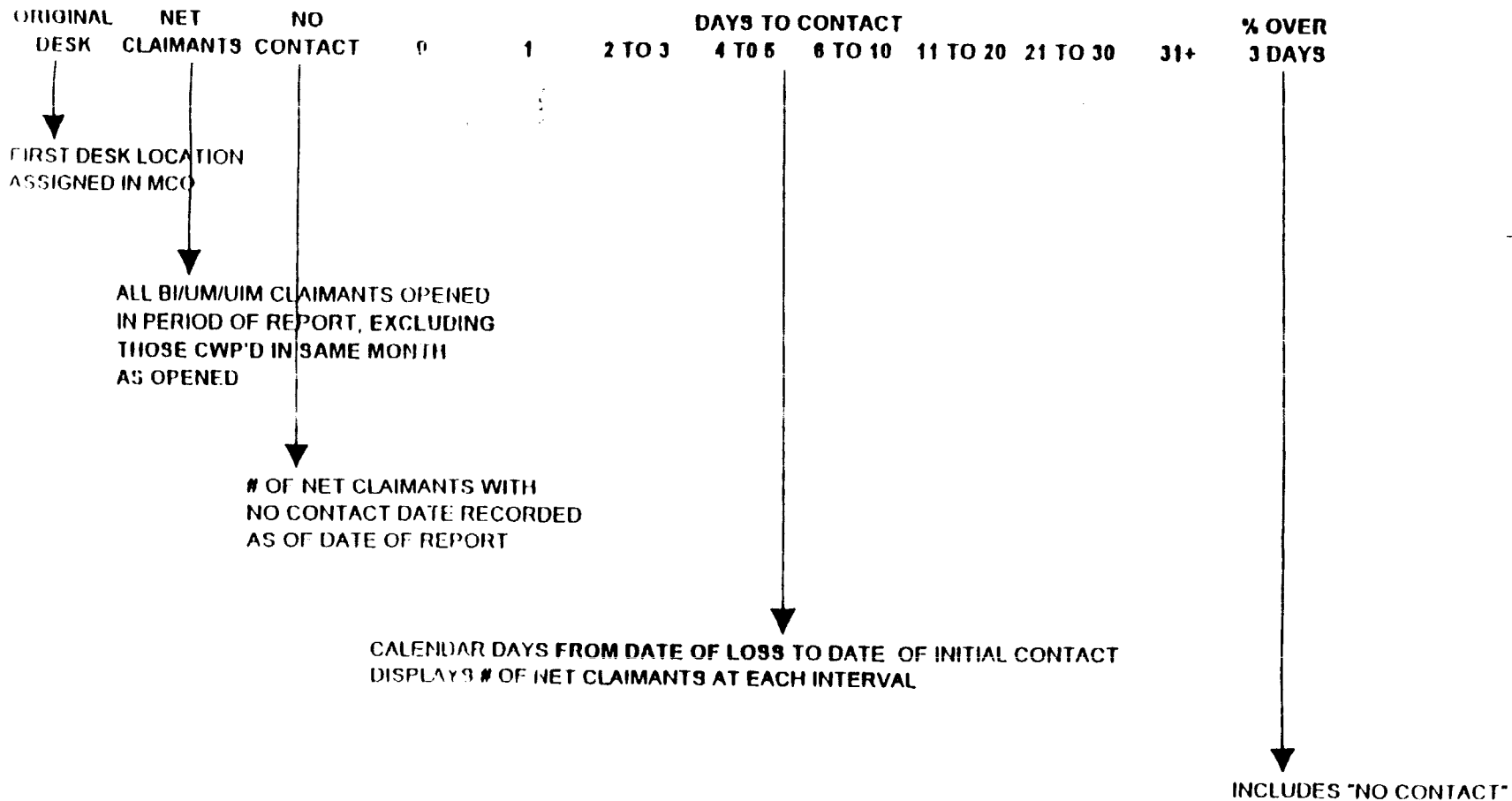
	<u>Page</u>
1 Management reports	A1-A5
• Contact time	
• Representation rate	
• Evaluation results	
• Severity by segment	
• Pending by segment	
2 MCO implementation scorecard and example	A6-A15
3 File Review Sheet - unrepresented	A16
4 File Review Sheet - represented	A17
5 Trainer's Manual	A18

CCPR MANAGEMENT REPORT KEY CONTACT TIME

FREQUENCY: MONTHLY

TIMING: PRELIMINARY REPORT PRODUCED 1ST WEEK OF FOLLOWING MONTH
FINAL REPORT PRODUCED 3RD WEEK OF FOLLOWING MONTH TO
CAPTURE ACTIVITY ON CLAIMANTS OPENED LATE IN MONTH

BREAKOUT: MONTHLY AND YTD SECTIONS
BI & UM/UIM SEPARATE
REPORT FOR EACH COVERAGE BROKEN DOWN BY ORIGINAL DESK LOCATION, WITH UNIT AND MCO TOTALS



CCPR MANAGEMENT REPORT KEY-REPRESENTATION RATE

Frequency Monthly
Timing Produced 1st week of following month
Breakout "As of" snapshot BI and UM/JIM separate report for each coverage breakdown by original desk location, with unit and MCO totals

Open month	Gross claimants	Represented			Represented Percent	Unrepresented		
		CWA	CWP	Pending		CWA	CWP	Pending
Jan 1995	↓ Number of claimants opened, by month originally opened, regardless of disposition (after 1st month, number of claimants is constant from month to month)							
Feb 1995								
Mar 1995								
Apr 1995								
May 1995								
Jun 1995								
Jul 1995								
Aug 1995								
Sep 1995								
Oct 1995								
Nov 1995								
Dec 1995								

- Representation and disposition displayed based on status as of date report is produced
- Each subsequent report is an additional 30 days of development for gross claimants opened in the initial 30 days

Calculated as - (represented + represented pending) / (represented and unrepresented CWA + represented pending)

Report will show inception to date "snapshot" of the 12 most recent months
 Each row includes all claimants opened in the indicated month
 Note: Save this report as number of claimants is constant from month to month, but activity changes

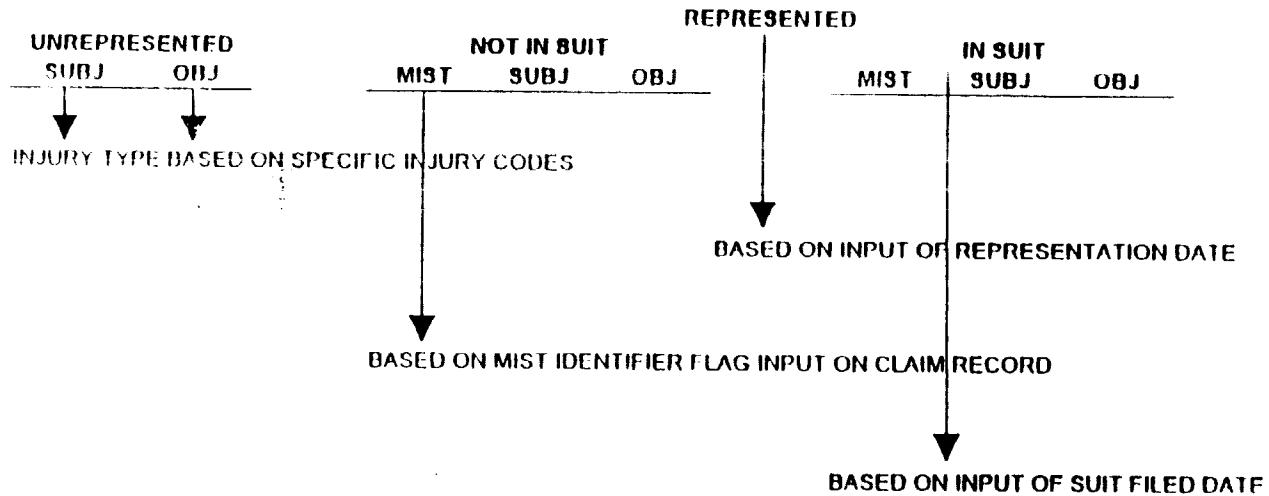
**CCPR MANAGEMENT REPORT KEY
EVALUATION RESULTS**

FREQUENCY: MONTHLY

BREAKOUT: MONTHLY AND YTD SECTIONS
BI & UM/UIM SEPARATE
REPORT FOR EACH COVERAGE BROKEN DOWN BY CLOSING DESK LOCATION, WITH UNIT AND MCO TOTALS

CLOSING DESK

LAST DESK LOCATION ON CLAIM



CLOSED # NUMBER OF CLAIMANTS CLOSED DURING PERIOD OF REPORT THAT WERE REVIEWED BY EVALUATION CONSULTANT
EXCLUDES FAST TRACK CLAIMS NOT REVIEWED BY EVALUATION CONSULTANT

% TO EVAL TOTAL DOLLARS PAID ON CLAIMS REVIEWED BY EVALUATION CONSULTANT /
TOTAL EVALUATED AMOUNTS ON CLAIMS REVIEWED BY EVALUATION CONSULTANT /

PENDING NUMBER OF PENDING CLAIMANTS AS OF DATE OF REPORT THAT HAVE BEEN REVIEWED BY EVALUATION CONSULTANT

AVG EVAL TOTAL EVALUATED DOLLARS ON PENDING CLAIMS REVIEWED BY EVALUATION CONSULTANT /
OF PENDING CLAIMANTS REVIEWED BY EVALUATION CONSULTANT

NOTE: "EVALUATED" STATUS DETERMINED BY INPUT OF EVALUATION DATE BY EVALUATION CONSULTANT

**CCPR MANAGEMENT REPORT KEY
SEVERITY BY SEGMENT**

FREQUENCY: MONTHLY

BREAKOUT: MONTHLY AND YTD SECTIONS
DI & UM/UIM SEPARATE
REPORT FOR EACH COVERAGE BROKEN DOWN BY CLOSING DESK LOCATION, WITH UNIT AND MCO TOTALS

CLOSING DESK: LAST DESK LOCATION ON CLAIM

	UNREPRESENTED			REPRESENTED						
	SUBJ		OBJ	NOT IN SUIT		IN SUIT		OBJ	NOT	TOTAL
			MIST	SUBJ	OBJ	MIST	SUBJ		SEGMENTED	

SELF EVALUATION RESULTS FOR KEY TO SEGMENTATION

↓
CLAIMANTS NOT CODED TO ALLOW FOR
SEGMENTATION (EG NO INJURY TYPE)

↓
TOTAL OF ALL
COLUMNS

CWP # OF CLAIMANTS CWP'D IN EACH SEGMENT FOR PERIOD OF REPORT

CWA # OF CLAIMANTS CWA'D IN EACH SEGMENT FOR PERIOD OF REPORT

PAID LOSS TOTAL PAID LOSS (EXCLUDING ALLOCATED EXPENSES) DURING PERIOD OF REPORT

PAID SEV PAID LOSS / # CWA

CLOSED COST PAID LOSS / (# CWA + # CWP)

NOTE: THIS REPORT INCLUDES ALL CLOSED CLAIMANTS, WHETHER REVIEWED BY
EVALUATION CONSULTANT OR NOT

**CCPR MANAGEMENT REPORT KEY
PENDING BY SEGMENT**

FREQUENCY: MONTHLY

BREAKOUT: MONTHLY AND YTD SECTIONS
BI & UM/UIM SEPARATE
REPORT FOR EACH COVERAGE BROKEN DOWN BY CURRENT DESK LOCATION, WITH UNIT AND MCO TOTALS

CURRENT DESK	UNREPRESENTED			NOT IN SUIT			REPRESENTED			NOT SEGMENTED	TOTAL
	SUBJ	OBJ	MIST	SUBJ	OBJ	MIST	SUBJ	OBJ			

SEE EVALUATION RESULT AND SEVERITY BY SEGMENT FOR KEY TO SEGMENTATION

XXX
XXX # OF PENDING CLAIMANTS BY SEGMENT AS OF DATE REPORT IS PRODUCED
XXX

**CCPR PHASE I SCORECARD
OVERALL RESULTS**
MCO/REGION: _____
BODILY INJURY

	BASELINE 12MM @ Jul-94	CM	YTD	% / PP VARIANCE
CALENDAR YR BI/PPD RATIO				
GROSS				.
NET				.

BI PAID SEVERITY
CALENDAR YEAR
REPORT YEAR @ LATEST AOD:
% INCR 95/94
 94/93
 93/92

BI FIELD INCURRED SEVERITY
CALENDAR YEAR
REPORT YEAR @ LATEST AOD:
% INCR 95/94
 94/93
 93/92

* % VARIANCE TO SAME PERIOD IN PRIOR YEAR

**CCPR PHASE 1 SCORECARD
OVERALL RESULTS
MCO/REGION: _____
COMBINED UM/UIM**

<u>BASELINE</u> 12MM @ Jun-84	<u>CM</u>	<u>.YTD</u>	<u>% / PP</u> <u>VARIANCE</u>
-------------------------------------	-----------	-------------	----------------------------------

CALENDAR YR UM-UIM/PD RATIO
GROSS
NET

UM/UIM PAID SEVERITY
CALENDAR YEAR
REPORT YEAR @ LATEST AOD:
% INCR: 05/04
04/03
03/02

UM/UIM FIELD INCURRED SEVERITY
CALENDAR YEAR
REPORT YEAR @ LATEST AOD:
% INCR: 05/04
04/03
03/02

UM/UIM SUBROGATION
\$
% TO GROSS PAID

**CCPR PHASE 1 SCORECARD
KEY DRIVERS**

MCO/REGION: _____

	<u>BASELINE</u> 12MM @ Jun-04	<u>CM</u>	<u>YTD</u>	<u>% / PP</u> <u>VARIANCE</u>
REPRESENTATION RATE				
CWA + PENDING @ 30 DAYS				
CWA + PENDING @ 60 DAYS				
CWA + PENDING @ 90 DAYS				
OVERALL CWA				
CONTACT TIME				
MEDIAN DAYS				
% OVER 1 DAY				
% OVER 3 DAYS				
IDENTIFIED MIST CASES				
% OF PENDING				
% OF CLOSURES				
CWP %				
PAID SEVERITY				
CLOSED COST				
OTHER EVALUATED CLAIMS				
% OF PENDING EVALUATED				
% OF CWA'S EVALUATED				
PAID SEVERITY				
SIU REFERRALS				
% TO BI/UM-UM OPENS				
\$ SAVED				
RESTITUTION \$				

**CCPR PHASE 1 SCORECARD
 AREAS TO MONITOR AND ANALYZE
 MCO/REGION: _____**

	<u>BASELINE</u> 12MM @ Jun-04	<u>CM</u>	<u>YTD</u>	<u>% / PP</u> <u>VARIANCE</u>
BI PENDING				
CALENDAR YEAR				
#				
% TO 12MM REPORTED				
REPORT YEAR @ LATEST AOD				
% TO REPORTED				
PPVAR				
95/04				
94/03				
03/02				
% PENDING @				
30 DAYS				
60 DAYS				
90 DAYS				

BI ALLOCATED EXPENSES
 \$
 % TO PAID

BI REOPEN %

BI PAC \$- % TO PAID

ADDED A %

LOSS OF USE
 FREQUENCY
 SEVERITY

**CCPR PHASE I RECORD
 AREAS TO MONITOR AND ANALYZE
 MCO/REGION: _____**

	<u>BASELINE</u> 12MM @ Jun-04	<u>CM</u>	<u>YTD</u>	<u>% / PP</u> <u>VARIANCE</u>
UM/UIM PENDING				
CALENDAR YEAR				
#				
% TO 12MM REPORTED				
REPORT YEAR @ LATEST AOD				
% TO REPORTED				
PPVAR	95/04			
	94/03			
	93/02			
UM/UIM ALLOCATED EXPENSES				
\$				
% TO PAID				
UM/UIM REOPEN %				
UM/UIM PAC \$- % TO PAID				
AUTO CASUALTY SUITS				
NEW				
% TO 12MM REPORTED				

**CCPR PHASE 1 SCORECARD
OVERALL RESULTS
MCO/REGION: EXONELL
BODILY INJURY**

	BASELINE 12MM @ Jun-94	CM February	YTD February	% / PP VARIANCE
CALENDAR YR BI/PPD RATIO				
GROSS	32.7	29.7	29.2	-9%
NET	35.1	31.8	31.5	-11%
BI PAID BEVERITY				
CALENDAR YEAR	9,500	9,250	9,300	-2.1%
REPORT YEAR @ LATEST AOD.				
% INCR: 95/94				
94/93	3.4	N/A	2.4	-1.0 pp
93/92	4.5		2.9	-1.6 pp
BI FIELD INCURRED BEVERITY				
CALENDAR YEAR	4,800	4,700	4,750	-1.0%
REPORT YEAR @ LATEST AOD.				
% INCR: 95/94				
94/93	3.9	N/A	3.1	-8 pp
93/92	4.2		3.3	-9 pp

* % VARIANCE TO SAME PERIOD IN PRIOR YEAR

**CCPR PHASE 1 SCORECARD
OVERALL RESULTS
MCO/REGION: EXAMPLE
COMBINED UM/UIM**

	<u>BASELINE</u> 12MM @ <u>Jun-94</u>	<u>CM</u> <u>February</u>	<u>YTD</u> <u>February</u>	<u>% / PP</u> <u>VARIANCE</u>
CALENDAR YR UM-UIM/PD RATIO				
GROSS				
NET				

UM/UIM PAID SEVERITY
CALENDAR YEAR
REPORT YEAR @ LATEST AOD:
% INCR 95/94
 94/93
 93/92

UM/UIM FIELD INCURRED SEVERITY
CALENDAR YEAR
REPORT YEAR @ LATEST AOD:
% INCR 95/94
 94/93
 93/92

UM/UIM SUBROGATION				
\$	200,000	15,000	40,000	20.5%
% TO GROSS PAID	2.0	1.3	2.3	3 pp

**CCPR PHASE 1 SCORECARD
KEY DRIVERS**

MCO/REGION: EXAMPLE

	BASELINE 12MM @ Jun-94	CM <u>February</u>	YTD <u>February</u>	% / PP VARIANCE
REPRESENTATION RATE				
CWA + PENDING @ 30 DAYS	40	36	38	-2 pp
CWA + PENDING @ 60 DAYS	50	42	45	-5 pp
CWA + PENDING @ 90 DAYS	60	51	55	-5 pp
OVERALL CWA	65	63	64	-1 pp
CONTACT TIME				
MEDIAN DAYS	4.5	3.0	3.5	1.0
% OVER 1 DAY	75	60	65	-10 pp
% OVER 3 DAYS	62	50	55	-7 pp
IDENTIFIED MIST CASES				
% OF PENDING	35	31	N/A	-4 pp
% OF CLOSURES	35	10.3	5.5	-19.5 pp
CWP %	10.2	15	12.5	2.3 pp
PAID SEVERITY	7,500	6,000	6,500	-13.3%
CLOSED COST	6,735	5,100	5,688	-15.5%
OTHER EVALUATED CLAIMS				
% OF PENDING EVALUATED		10.2	N/A	
% OF CWA'S EVALUATED	N/A	2	1.5	N/A
PAID SEVERITY	15,000	17,500	14,500	-3.3%
SIU REFERRALS				
% TO BI/UM-UM OPENS	1.8	2.7	2.3	3 pp
\$ SAVED	1,500,000	156,000	275,000	10.5%
RESTITUTION \$	75,000	5,000	15,000	15%

CCPR PHASE 1 SCORECARD
AREAS TO MONITOR AND ANALYZE
MCO/REGION: EXAMPLE

	<u>BASELINE</u> 12MM @ Jun-94	<u>CM</u> February	<u>YTD</u> February	<u>% / PP</u> <u>VARIANCE</u>
BI PENDING				
CALENDAR YEAR				
#	10,210	10,500	N/A	2.4%
% TO 12MM REPORTED	87.2	90.1		2.9 pp
REPORT YEAR @ LATEST AOD				
% TO REPORTED				
PPVAR 05/94		1.1		1.1 pp
04/93	1.0	1.5	N/A	5 pp
03/92	5	5		
% PENDING @				
30 DAYS	40	35	51	-3 pp
60 DAYS	50	48	49	-1 pp
90 DAYS	60	62	61	1 pp
BI ALLOCATED EXPENSES				
\$				
% TO PAID	10,000,000	1,000,000	1,800,000	10.5%
	8.6	7.1	9.2	6 pp
BI REOPEN %	8.7	7.6	7.8	-1 pp
BI PAC \$- % TO PAID	5.1	4.7	4.7	-2 pp
ADDED A %	25.2	18.7	17.2	-6.0 pp
LOSS OF USE				
FREQUENCY	36	36.1	36	1 pp
SEVERITY	150	156	157	4.7%

**CCPR PHASE 1 SCORECARD
 AREAS TO MONITOR AND ANALYZE
 MCO/REGION: EXAMPLE**

	<u>BASELINE</u> 12MM @ <u>Jun-94</u>	CM <u>February</u>	YTD <u>February</u>	<u>% / PP</u> <u>VARIANCE</u>
UM/UIM PENDING				
CALENDAR YEAR				
#				
% TO 12MM REPORTED				
REPORT YEAR @ LATEST AOD				
% TO REPORTED				
PPVAR	85/84			
	84/83			
	83/82			
UM/UIM ALLOCATED EXPENSE				
\$				
% TO PAID				
UM/UIM REOPEN %				
UM/UIM PAC \$- % TO PAID				
AUTO CASUALTY SUITS				
NEW	700	60	130	r
% TO 12MM REPORTED	5	5.5	5.6	6pp

**MISSING
PAGE**



Casualty Core Process Redesign Review Sheet

Represented Segment

Claim Number: _____

Segment Categorization Completed Y / N

Investigation & Damage Grids Used Y / N

Proper Completion of C1098 (Starting Point) Y / N

Quality Negotiation Plan Y / N

Appropriate First Offer Y / N

Documentation of Negotiations Y / N

Proper Suspense Y / N

M.I.S.T. Referral Needed Y / N

Comments: _____

Reviewer: _____

Date: _____

MEASUREMENT TRAINER'S GUIDE

Overview

Train casualty managers on the new measurements, tracking procedures and processes which result from CCPR

Objectives

- Provide background and instructions for presentation to participants
- Supply key discussion points to supplement training package handouts

Participants

All Unit Claim Managers and Evaluation Consultants

Timeline

- Training should be conducted as part of MCO specific training sessions 1-3 weeks after the Train the Trainers session
- Training should be given by the CCM or other selected measurement coordinator
- Time required for this session will vary but should fall between 2-4 hours

Materials

Trainers must provide participants with the following materials

- Measurement Training Pack
- Sample Implementation Scorecard
- Sample Management Reports
- File Review Sheets

Notes to the trainer

- All trainers should be prepared to present MCO-specific 3 and 6 month goals for each of the new measurements
- All trainers should have begun to decide how frequently management reports will be used and how in their office
- The success of the training session is greatly dependent on the presenter's knowledge and command of the material. Therefore, it is important to familiarize yourself with the material. It is recommended that the trainer allow a day for preparation

**MISSING
PAGE**

DISCUSSION GUIDE BY PAGE (cont.)

Page 8: Process Flow

- explain difference between temporary pilot and on-going systems
- on-going system is not any different from what is currently being done other than there are some new reports to use and look at
- managers will need to do periodic spot checks to ensure integrity and honesty
- remind participants that measurements are by claimant basis and date of loss, not date of notice

Page 9: List of New Reports

- self-explanatory
- explain list of new reports and how frequently they will be used
- the frequency of reports given on this page are the suggested times; individual MCOs should decide how often they want to use these reports

Page 10: Measurement Coordinator

- inform UCMs that they will need to play this role for the people in their unit
- go over each point and make sure everyone is clear on what is expected

Page 11: List of Forms and Reports

- self-explanatory
- make sure to use the following descriptor sheets in conjunction with the actual forms or reports in the Appendix

Page 12: Contact Time Management Report

- clearly cover all points on the page and explain slowly
- measured by claimant and desk location
- net claimants is the number of claimants reported to that desk location within the time frame of the report
- desk locations will be broken out by unit

Page 13: Representation Rate Management Report

- clearly cover all points on the page and explain slowly
- measured by claimant and desk location
- % Rep'd is the percent of total claims which are/were represented within the time frame of the report

DISCUSSION GUIDE BY PAGE (cont.)

CCPR IMPLEMENTATION MANUAL
MEASUREMENT MODULE ADDENDUM

DISCUSSION GUIDE BY PAGE

Page 1: Discussion Topics

- preview of sections to be covered in the training
- sets up the format for the discussion

Page 2: New Performance Measures

- explain that there are 4 basic new measures on which reps, units, and the MCO will be measured
- these are *additional* to the measures we currently use, not in place of
- all new measures will be from date of loss (not notice date) and by claimant
- add that pending by segment will also be measured as a way to keep track of pending levels, but pending will not be a method of evaluation
- contact time and representation rates will be measured at the initial desk location and evaluation and severity by segment at the last desk location

Page 3-4: Measurement Goals

- these are the goals the MCO is expected to reach
- recognize that they are aggressive but attainable
- very slight modifications may be made if specific market characteristics require it

Page 5: Deterioration of traditional measures

- use these as examples of measurements which have potential to deteriorate in the short-term
- explain why CCPR will affect these traditional measurements
- file reviews will still be used, but they should be targeted and less dependent on specific dates, but more about specific problems

Page 6: Improvement of traditional measures

- use these as examples of measures where improvement is expected and will be closely monitored
- explain why CCPR processes will positively affect these measures
- stress that improvement in these traditional measurements is the essence of what we are trying to achieve with CCPR

Page 7: Objectives of the Process

- the process is designed to capture all of the new measurements while keeping the pain of acquisition at a minimum
- this process will only work if data is complete and consistent everywhere

DATE - 01/01/75 TIME - 01:00:00

REPORT DATE 01/01/75
 REPORT PERIOD 01/01/75 - TO - 01/01/75 PAGE 711

OFFICE LOCATION

A

DATE	NET CLASSIFIED	NO CONTACT	DATE TO CONTACT								TOTAL CONTACT
			1-1-75	1-15-75	1-30-75	2-14-75	2-28-75	3-13-75	3-27-75	4-10-75	
MONTH	001	7	10	54	62	33	23	0	0	10	22
YEAR	040	104	88	114	71	38	37	18	0	21	37
TOTAL		111	98	168	133	71	60	18	0	31	69

DELU = 59 UNITS = 0

REPRESENTATION RATE REPORT

SOURCE CDS FIELD

- DATE OF NOTICE OF REPRESENTATION - INPUT SEPARATELY FOR EACH CLAIMANT

RELATED CLOSURE EDIT

- DATE OF CONTACT OR NOTICE OF REPRESENTATION REQUIRED

KEY ISSUES

- ONLY POST IMPLEMENTATION OPENS MEASURED
- REPRESENTATION RATE AT 90 DAYS IS BASIS FOR COMPARISON TO MCO BASELINE AND SERVES AS A MEASUREMENT OF SUCCESS. ULTIMATELY CWA REP RATE WILL SERVE AS BASIS FOR COMPARISON
- BLANK REPRESENTATION DATE RECORDED AS "UNREPRESENTED"
- REPORT NOT MEANINGFUL UNLESS REPRESENTATION NOTICE DATE INPUT AT NOTICE AND TRANSFER TO REPRESENTED UNIT
- TRANSFER PROCESS A KEY FOCUS POINT FOR TIMELY AND ACCURATE REPORTING
- REVIEW OF PENDING BY SEGMENT REPORT VS DESIGNATED SPECIALTY AT DESK LEVEL EXCELLENT CROSS CHECK

CONTACT TIME REPORT

SOURCE CDS FIELD

- CONTACT DATE - INPUT SEPARATELY FOR EACH CLAIMANT

RELATED CLOSURE EDITS

- CONTACT DATE OR DATE OF REPRESENTATION NOTICE REQUIRED

KEY ISSUES

- ONLY POST-START UP OPENS ARE MEASURED
- RESULTS NOT MEANINGFUL UNLESS CONTACT TIME INPUT TIMELY
- OPEN CLAIMS WITH BLANK CONTACT DATE RECORDED AS "NO CONTACT"
- CURRENT MONTH RESULTS ARE BASIS OF COMPARISON TO BASELINE

01729 - EVALUATION RESULTS - BY CLAIMANTS

(REVISION SUMMARY BY FCO)

RUN DATE: 04/05/75
 REPORT PERIOD: 63/01/75 - TO - 63/31/75

OFFICE LOCATION:

A

	CURRENT MONTH			YTD			PENDING	IN PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	56	185,511	92.06	63	385,611	94.26		
OBJ	2	105,000	95.46	7	184,500	95.66	34	5,339
							6	15,294
REPRESENTED								
NO SUIT								
PLST/THRESHOLD	16	39,650	96.69	17	57,606	95.40	16	2,369
SUBJ	64	306,650	97.40	89	409,825	97.06	65	5,061
OBJ	4	41,500	96.66	7	134,250	98.76	13	33,992
IN SUIT								
PLST/THRESHOLD	0	0	0.00	1	512	0.99	2	3,996
SUBJ	3	297	99.33	3	297	99.33	3	2,333
OBJ	0	0	0.00	0	0	0.00	1	166,666
TOTAL FCO	100	672,660	95.89	207	1,171,995	95.16	136	9,012
WITHOUT CONSULTANT	389	289,767		450	477,000			

A

MONTH	NBR OF CLAIMANTS	REPRESENTED				PERCENTAGE REPRESENTED	UNREPRESENTED			
		CLP / POT	OWA	PENDING / POT			CLP / POT	OWA	PENDING / POT	
03/1995	585	54 / 31.49	4	114 / 66.28	37.67	149 / 44.74	26	158 / 47.45		
02/1995	305	52 / 33.18	5	76 / 57.14	34.31	101 / 37.45	44	111 / 43.36		
01/1995	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
12/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
11/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
10/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
09/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
08/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
07/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		
04/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00		

SEVERITY AND PENDING BY SEGMENT REPORTS

SOURCE CDS FIELDS

- DATE OF REPRESENTATION NOTICE
- INJURY TYPE
- SUIT FILED DATE
- MIST/THRESHOLD IDENTIFIER

RELATED CLOSURE EDITS

- MIST/THRESHOLD (Y/N), INJURY TYPE AND REPRESENTATION OR CONTACT DATE REQUIRED

KEY ISSUES

- PENDING BY SEGMENT NOT MEANINGFUL UNLESS KEY CDS FIELDS INPUT ON EXISTING PENDING
- IDENTIFIED MIST/THRESHOLD AS % OF PENDING BASIS OF COMPARISON TO BASELINE MIST POTENTIAL
- NO EDIT FOR SUIT DATE - SUIT VOLUME IMPORTANT FOR STAFF COUNSEL NEEDS, ALLOCATED EXPENSE ANALYSIS AND MCO STAFFING
- TRANSFER PROCESS (RAPPORT UNIT TO REPRESENTED UNIT) AND SUIT RESPONSE PROCESSES KEY FOCUS FOR TIMELY, ACCURATE INPUT

EVALUATION RESULTS REPORT

SOURCE CDS FIELD

- EVALUATION DATE AND AMOUNT

RELATED CLOSURE EDITS

- NONE

KEY ISSUES

- OVERALL % TO EVALUATED AMOUNT BASIS OF COMPARISON TO STANDARD
LACK OF EDIT MAKES ENSURING UPFRONT QUALITY CONTROL CRITICAL
- EVALUATION CONSULTANT A KEY FOCUS POINT FOR ACCURATE, TIMELY INPUT
- COMPARISON OF DOLLARS PAID WITHOUT EC IN COMPARISON TO DOLLARS PAID IN UNREP SUBJECTIVE SEGMENT (PER SEVERITY BY SEGMENT REPORT) A GOOD CROSS CHECK
- ANY CLAIM CWA'd WITHOUT EC AMOUNT INPUT IS "WITHOUT EC"

04749 - REPORT BY ELEMENT - BY CLASSIFICATION

OFFICE LOCATION: A

FORM DATE: 04/05/75 PAGE 158
REPORT PERIOD: 03/01/75 - TO - 03/31/75

UNCLASSIFIED		CLASSIFIED						NON DELEGATED	TOTAL
SUBJECTIVE	OBJECTIVE	SECRET	CONFIDENTIAL	SECRET	CONFIDENTIAL	SECRET			
388	48	81	57	139	3	18	5	112	1291

SECRET

SECRET = 18 UNCLASSIFIED = 3

DATE - EVALUATION RESULTS - BY CLERKS

(REGION: DISTRICT #100)

RUN DATE: 6/05/95
 REPORT PERIOD: 63/01/95 - TO - 63/01/95

PAGE 14

OFFICE LOCATION

B

	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL ADJUST
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
JOB	15	71,999	96.78	22	98,876	93.88		
OBJ	3	110,313	99.88	6	164,813	102.38	15	4.681
REPRESENTED								
NO JUST								
MISTAKE/RECALL	9	0	0.00	1	10,000	100.00	22	1.475
JOB	29	145,331	93.89	43	252,509	106.85	42	5.596
OBJ	6	277,000	107.39	10	317,000	102.98	11	19.652
IN JUST								
MISTAKE/RECALL	9	0	0.00	9	0	0.00	6	0
JOB	4	79,500	99.71	5	95,000	97.89	5	10.647
OBJ	3	30,250	101.00	4	57,250	100.00	2	17.750
TOTAL NOC	60	709,594	101.00	81	993,048	100.90	100	6.844
PERIOD ADJUSTMENT	178	650,700		177	1,730,841			

01748 - PENDING BY SEGMENT - BY CLAIMANTS

REN DATE: 04/05/95 PAGE 189
REPORT PERIOD: 03/01/95 - TO - 03/31/95

OFFICE LOCATION: B

UNEMPLOYED		REEMPLOYED			NON SEPARATED		TOTAL
OBJECTIVE	OBJECTIVE	NO. IN THRESHOLD	NO. OUT THRESHOLD	NO.	NO. IN THRESHOLD	NO. OUT THRESHOLD	
478	39	277	286	19	15	5	2966

T P I S R O C BENS = 41 UNITS = 9

DATE - SEVERITY BY REGION - BY CLAIMANTS
 OFFICE LOCATION:
 REGION: **A**

(REGION SUMMARY BY FOO)

RUN DATE: 64/05/75 PAGE 67
 REPORT PERIOD: 63/01/75 - TO - 63/31/75

	CURRENT MONTH					YTD				
	OP	CM	PAID LOSS	PAID SVY	CLOSED COST	OP	CM	PAID LOSS	PAID SVY	CLOSED COST
UNPRESENTED										
SUBJ	126	122	174,442	1,438	783	237	196	289,461	1,477	665
CSJ	9	8	234,786	29,348	13,811	15	14	376,266	26,449	12,768
PRESENTED										
NO SUIT										
MIST/THRESHOLD	15	5	24,388	4,868	1,215	16	7	41,858	5,864	1,785
SUBJ	24	64	378,593	5,791	4,211	43	125	851,437	6,811	5,668
CSJ	2	21	436,568	28,736	18,978	5	38	633,125	21,184	18,859
IN SUIT										
MIST/THRESHOLD	6	6	6	6	6	6	6	6	6	6
SUBJ	5	9	146,588	16,588	18,667	6	14	238,588	17,838	18,841
CSJ	3	7	174,258	24,898	17,408	3	9	399,258	32,258	24,738
NONPRESENTED	181	4	18,681	2,515	54	348	38	48,281	1,888	137
TOTAL NO	345	243	1,578,431	6,858	21,881	670	428	2,771,335	6,521	21,828

DATE - SEVERITY BY SEGMENT - BY CLAIMANTS
 OFFICE LOCATION:
 REGION: **B**

(REGION SUMMARY BY ASS)

RUN DATE: 64/05/75 PAGE 61
 REPORT PERIOD: 63/01/75 - TO - 63/31/75

	CURRENT MONTH					YTD				
	OP	DM	PAID LOSS	PAID SEV	CLOSED COST	OP	DM	PAID LOSS	PAID SEV	CLOSED COST
UNREPRESENTED										
SUBJ	102	124	286,899	2,341	1,245	145	191	527,451	2,762	1,576
OBJ	3	4	130,250	32,563	18,607	13	14	274,159	19,582	16,134
REPRESENTED										
NO SUIT										
HIST/THRESHOLD	39	18	66,045	3,536	1,053	46	31	96,637	3,124	1,226
SUBJ	65	69	347,134	5,631	2,591	103	111	541,089	4,874	2,528
OBJ	5	5	42,659	8,532	4,266	6	16	175,469	17,541	18,933
IN SUIT										
HIST/THRESHOLD	1	1	606	606	369	2	6	13,374	2,322	1,674
SUBJ	1	1	29,797	2,311	2,688	4	9	29,797	2,311	1,689
OBJ	0	0	0	0	0	0	0	0	0	0
UNREPRESENTED										
SUBJ	110	133	0	0	0	149	216	25,076	2,819	149
TOTAL NO	329	336	662,673	21,924	11,598	402	381	1,674,422	4,399	11,940

SEGMENTATION OF CURRENT PENDING MINIMUM INPUT REQUIRED

REPRESENTED FILES

- ANY LOGICAL DATE OF REPRESENTATION
- INJURY TYPE
- ANY LOGICAL SUIT FILED DATE (ONLY IF APPLICABLE)
- MIST/THRESHOLD IDENTIFIER (ONLY IF APPLICABLE)

- NOTE: CONTACT DATE IS NOT NECESSARY ON PRE
IMPLEMENTATION REPRESENTED PENDING

UNREPRESENTED FILES

- INJURY TYPE

- NOTE: YOU CAN WAIT UNTIL CLOSURE TO INPUT CONTACT DATE;
WHICH CAN BE ANY LOGICAL DATE

CONFIDENTIAL

Casualty Development Summary (CDS)

ALLSTATE INSURANCE

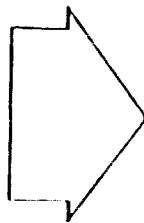
JULY, 1995

PROPERTY OF ALLSTATE INSURANCE
NOT FOR DISTRIBUTION FOR ANY THIRD PARTY

The Casualty Development Summary (CDS) is designed to drive consistent investigation, standardize reporting, and mechanically collect the data needed to measure results.

Current system

- Random diary entries
- Different investigation tactics for similar files
- Paper forms for evaluation/negotiation
- Manual "turn around" reports for data collection



Casualty Development Summary

- Specified screens for reporting results
- Consistent investigation path for casualty files
- Screens for authorization/negotiation tactics
- Automated data collection

The CDS is displayed as a menu of screens which record each part of the investigation, evaluation, and negotiation process and summarize key sections for review.

CDS MENU

- | | | | |
|----|---------------------------------|----|------------------------------|
| 01 | Initial contact | 06 | Damage Investigation |
| 02 | Coverage analysis | 07 | Damage Investigation summary |
| 03 | Involved person statement | 08 | Negotiation plan |
| 04 | Liability Investigation | 09 | Evaluation review |
| 05 | Liability Investigation summary | 10 | Diary |

A number of characteristics unique to the CDS help make data entry and collection easy.

CDS CHARACTERISTICS

- Data "drag" to avoid duplicate entry
- Summary screens available for review and use by evaluation consultant
- File closure inhibited without crucial data
- Screens driven by claimant I.D.
- "Normal" diary entry can be replaced
- Help screen availability planned

CASUALTY DEVELOPMENT SUMMARY

Overview

The Casualty Development Summary (CDS) system makes a new set of screens available to Claim Reps and Evaluation Consultants to support auto casualty claim handling. They are designed to promote consistent claim investigation and evaluation activities, to provide a consolidated view of important investigative findings and to collect the critical data needed to measure the processes being introduced by Claim Core Process Redesign. New measurements require that certain data capture fields must be completed prior to closing coverage.

The new screens are meant to supplement screens currently found on the Loss Report System and the Casualty Hub. Data already collected elsewhere in the claim system will be "dragged" forward to CDS to avoid duplicate entry.

Much of the data on the Casualty Development Summary is currently recorded in the claim diary. The manner in which CDS is structured and the ability to include narrative comments and analysis on its screens should reduce the number of entries in the diary and make the information more concise and accessible. Liability Investigation and Damage Investigation Summary screens are provided to further summarize results for easy reference by claim reps and evaluation consultants.

Accompanying these new screens are several new reports which will keep management and individual Claim Reps abreast of many of the measurements most important to successful casualty claim handling. The reports are focused on contact, attorney representation and evaluation.

CDS Authorization

Access to the CDS screens will be controlled by two new access codes:

CDS01 - Claim Representatives (and authorized processors)

CDS02 - Evaluation Consultants (and CCMs and Managers who might act as backup to Evaluation Consultants)

CDS03 - Display Only (Managers and reviewers not needing update capabilities)

All codes will provide access to all CDS screens. However, the ability to add or modify Amount and Date entries on the Evaluation Review screen (see Exhibit, pages 40-41) will be limited to the responsible claim representative or evaluation consultant.

NOTE: Assignment of the access codes should be coordinated by the Control Operator in the MCO through the Regional Office Security Analyst. Access codes should be assigned to casualty claim reps and evaluation consultants at least one week before CCPR training begins in the MCO.

Screen Display And Access

The new screens are displayed by injured person, involved person or claim, depending on the process step requirements. For instance, liability is largely determined by claim and so the Liability Investigation screens are displayed by claim. On the other hand, damages are determined by individual and the Damage Investigation screens are displayed by injured person.

The CDS Menu, which displays all screen options, is accessed through the Casualty System menu. Selection of Liability Investigation and Damage Investigation allows access to three screens for each group. Within these groups, paging to the next screen is done by using the ENTER command and paging to the previous screen by using PF4-PREV command.

The Initial Contact screen is accessible both from the CDS Menu and the Loss Report System. Various LRS screens permit access to the Initial Contact screen through the PF2-OPTIONS menu.

The exhibits on the following pages describe each screen, input options and requirements for completion.

Intentionally left blank.

CDS Screens (Page 1 of 2)

CASUALTY DEVELOPMENT SUMMARY

CDS input and summary screen selection

INITIAL CONTACT

Captures key information related to contact and attorney representation.

COVERAGE ANALYSIS

Captures/displays information regarding insured and other involved party insurance coverage.

INVOLVED PERSON STATEMENT

Captures information and analysis regarding statements.

LIABILITY INVESTIGATION (1)

Captures information on investigation activities and results, including a record of statements.

LIABILITY INVESTIGATION (2)

Records property damage estimates and related investigation information.

LIABILITY INVESTIGATION (3)

Records interpretation of loss facts and final liability determination (3).

LIABILITY INVESTIGATION SUMMARY

Display only summaries of LIABILITY INVESTIGATION screens 1, 2 and 3.

<u>Display By</u>	<u>Access</u>
Menu	Casualty System Menu LRS PF2 Option
Injured Person	CDS Menu - 01
Injured Person	CDS Menu - 02
Involved Person	CDS Menu 03
Claim	CDS Menu - 04 PF4 from Liab Invest #2
Claim	ENTER from Liab Invest #1 PF4 from Liab Invest #3
Claim	ENTER from Liab Invest #2
Claim	CDS Menu - 05

CDS Screens (Page 2 of 2)

DAMAGE INVESTIGATION (1)

Captures/displays information regarding injury, special handling (MIST/Threshold, SIU) and investigation steps.

DAMAGE INVESTIGATION (2)

Captures information regarding medical specials, tests and other verification steps.

DAMAGE INVESTIGATION (3)

Captures additional investigation information related to injuries and causes.

DAMAGE INVESTIGATION SUMMARY

Display only summaries of DAMAGE INVESTIGATION screens 1, 2 and 3.

NEGOTIATION PLAN

Worksheet format for outlining negotiation arguments and expected positions of parties.

EVALUATION REVIEW

Displays evaluation system recommendation and captures those of the claim rep and evaluation consultant.

SYSTEM ISSUED CHECK

MANUAL ISSUED CHECK

CLOSE COVERAGE

CCS screens modified to capture closure resolution type.

OPEN COVERAGE

REOPEN COVERAGE

CCS screens modified to capture Contact Accountable Employee ID.

Display By

Access

Injured Person

CDS Menu - 06
PF4 from Damage Invest #2

Injured Person

ENTER from
Damage Invest #1
PF4 from Damage Invest #3

Injured Person

ENTER from
Damage Invest #2

Injured Person

CDS Menu - 07

Injured Person

CDS Menu - 08

Injured Person

CDS Menu - 09

Claim

CCS

Claim

CCS

intentionally left blank.

Screen: CASUALTY DEVELOPMENT SUMMARY Menu

Display: Menu

Access: Casualty System Menu

REF	FIELDS	DESCRIPTION
1	01 - 09 Screen Selections	Display - available CASUALTY DEVELOPMENT SUMMARY screens.
2	10 - DIARY	Display - The Claim Diary is directly accessible from this menu screen.
3	SELECTION	Input - The screen being selected. 04 and 06 call up the initial Liability and Damage Investigation screens. Access to the 2nd and 3rd screens in each group is by scrolling from screen to screen.
4	CLAIM NUMBER	Input - The number of the claim is carried forward from previous system or screen; a new claim may be entered.
5	INVOLVED ID	Input - The ID (e.g. 01, 03, etc) of the involved person is carried forward from the previous system or screen; a new ID may be entered; leave this field blank when selecting the Liability Investigation screen.
6	PF2 VIEW DIRECTORY	Access to the View Claimant Directory from Loss Report

DESK: RCD

CASUALTY DEVELOPMENT SUMMARY

- | | | |
|--------------------------------------|---|-----------------------------------|
| 01 - INITIAL CONTACT | 1 | 06 - DAMAGE INVESTIGATION |
| 02 - COVERAGE ANALYSIS | | 07 - DAMAGE INVESTIGATION SUMMARY |
| 03 - INVOLVED PERSON STATEMENT | | 08 - NEGOTIATION PLAN |
| 04 - LIABILITY INVESTIGATION | | 09 - EVALUATION REVIEW |
| 05 - LIABILITY INVESTIGATION SUMMARY | | 10 - DIARY 2 |

3 SELECTION:
4 CLAIM NUMBER:
5 INVOLVED ID:

6

PF2 - VIEW DIRECTORY

CASUALTY DEVELOPMENT SUMMARY MENU

The menu from which all CDS screens may be selected. It also allows for direct access to the Claim Diary.

Screen: CDS - INITIAL CONTACT

Display: By Injured Person Access: LRS Options (PF2)
or CDS Menu (Selection - 01)

REP	FIELDS	DESCRIPTION
1	ID	Display - injured person ID, name, address, phone numbers and hours.
2	Resolution Type	Display - indicates the means by which the claim was settled. Entered on the Closed Coverage, System Issued or Manual Issued Check transactions.
3	INJURED PERSON CONTACT	Input - MEASUREMENT DATA; date of initial contact with injured person, spouse or parent/guardian. NOTE: Either INJURED PERSON CONTACT or ATTY REP NOTICE date must be entered to close coverage (except Resolution Type 06 - see closure screens).
4	TIME	Input - time of contact; nearest hour (e.g. 02 P = 2 PM, 10 A = 10 AM). NOTE: Time must be entered if INJURED PERSON CONTACT date is entered.
5	CONTACT WITH	Input - Person with whom initial contact was made. NOTE: Must be entered if INJURED PERSON CONTACT date is entered.
6	FACE TO FACE CONTACT	Input - MEASUREMENT DATA; date of any face to face contact with injured person.
7	ATTY REP NOTICE	Input - MEASUREMENT DATA; date on which Allstate learned that the claimant was represented. NOTE: Either INJURED PERSON CONTACT or ATTY REP NOTICE date must be entered to close coverage.
8	SUIT FILED	Input - MEASUREMENT DATA; date suit was filed against the insured or Allstate.
9	INJURY TYPE	Input - MEASUREMENT DATA; "objective" or "subjective" classification of injured person's primary injury caused by this accident. See HELP screen for injury classifications. NOTE: INJURY TYPE must be entered to close coverage.
10	NOTICE OF BI FROM	Input - Source of BI notification.

DESK: SJA
636 00097 6
ID: 04 FOUR 1

CDS - INITIAL CONTACT

OH

53 DRIFTWAY RD
(203)743-5608

() - X:
DANBURY

CT 06811-5124
HRS: -

RESOLUTION TYPE: 06 ² CWP WITH NO CONTACT
INJURED PERSON CONTACT: 03 ³ - 01 - 1995 TIME 01 A (A/P) ⁴
CONTACT WITH: 1 ⁵ (1=INJ PERSON 2=SPOUSE 3=PARENT/GUARD)
FACE TO FACE CONTACT: 03 - 02 - 1995 ⁶
ATTY REP NOTICE: 03 - 03 - 1995 ⁷
SUIT FILED: 03 - 04 - 1995 ⁸
INJURY TYPE: 1 ⁹ (1=SUBJECTIVE : -OBJECTIVE)
NOTICE OF BI FROM: 1 ¹⁰ (1=INSURED 2=CLAIMANT 3=ATTY
4=AGENT 5=POLICE RPT
6=PRIMARY INS CO 7=OTHER)

PF1=HELP

INITIAL CONTACT SCREEN

The initial contact screen is used to capture key information related to initial contact, attorney representation and injury type for all injured persons. Contact date or attorney representation date and injury type are required for reporting purposes and must be entered prior to closing coverage.

Screen: CDS - INITIAL CONTACT (HELP Screen)

INJURY TYPE CLASSIFICATION

1 - SUBJECTIVE INJURIES	2 - OBJECTIVE INJURIES
Unconfirmed degenerative herniation of neck or back	Confirmed herniation of neck or back
Unconfirmed degenerative bulge - neck or back	Confirmed bulge - neck or back
Other soft tissue injury	Rotator cuff - with or without surgery
Emotional/psychological distress	Knee injury with surgery
TMJ	Carpal tunnel syndrome
Thoracic outlet syndrome	Dental injury
Tinnitus	Scarring, disfigurement
Other neurological injury	Fracture with open, closed or no reduction
	Eye injury
	Closed head injury
	Quadriplegic/paraplegic
	Fatality
	Other internal injuries

Intentionally left blank

Screen: CDS - COVERAGE ANALYSIS

Display: BY Injured Person Access: CDS Menu (Selection - 02)

REF	FIELDS	DESCRIPTION
1	DOL	Display - Date of loss.
2	INSD	Display - Insured name.
3	ID	Display - Injured person ID and name.
4	COVERAGE	Display - Insured policy coverage and limits.
5	COVERAGE PROPER	Input - Insured's coverages are applicable to this loss.
6	TORT OPTION (where applicable)	Input - MEASUREMENT DATA; indicate if claimant has full or limited tort option coverage.
7 8 9 10 11	INSD/INVOLVED PERSON CARRIER POL TYPE LIMITS CLAIM/POLICY #	Input - Name, insurance carrier, type of policy offering coverage, limits and claim or policy number of additional insurance sources.
12	COMMENTS	Input - Comments and notes regarding additional insurance sources.

DESK: SJA
636 000097 6
ID: 04 FOUR

1 CDS - COVERAGE ANALYSIS
DOL: 03 - 01 - 1995 INSD: GEORGE C 2
OH

KRAMER

3 4
COVERAGE: AA 100,000/300,000 BB 50,000 HS - 250 SS 100,000/300,000
SU 100,000/300,000

5
COVERAGE PROPER: Y (Y/N)
6
TORT OPTION 1 (0=LIMITED 1=FULL)
ANY ADDITIONAL INSURANCE SOURCES

7 INSD/INVOLVED PERS	8 CARRIER	9 POL TYPE	10 LIMITS	11 CLAIM / POLICY#
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

POL TYPES: .1 - CONTRIBUTION 2-EXCESS 3-COINSURANCE 4-UNDERLYING POLICY (UM
5-UMBRELLA 6-WORKERS COMP 7-FRST PRTY MED

12
COMMENTS: _____

COVERAGE ANALYSIS

The Coverage Analysis screen is used to display and capture information related to the insureds' and other involved parties' insurance coverage.

Screen: CPS - INVOLVED PERSON STATEMENT

Display: By Involved Person Access: CDS Menu (Selection - 03)

REF	FIELDS	DESCRIPTION
1	DOL	Display - Date of loss.
2	INSD	Display - Insured name.
3	ID	Display - Injured person ID, name and involved person role.
4	DATE	Input - Date of involved person statement.
5	EFFECT ON INS LIAB	Input - Statement's impact on insured's liability.
6	STATEMENT TYPE	Input - Indicate the means used to complete statement or indicate as "interview".
7	ANALYSIS	Input - The analysis or summary of the involved person's statement or interview; overflow comments should be noted in the DIARY.

Screen: CDS - LIABILITY INVESTIGATION (1)

Display: By Claim		Access: CDS Menu (Selection 04)
REF	FIELDS	DESCRIPTION
1	INSD	Display - Insured name.
2 3 4	POLICE REPORT REVIEW ANALYSIS EFFECT ON INSD LIAB	Input - Date review completed; summary analysis; impact on insured's liability.
5 6 7 8	SCENE PHOTOS/INVEST ACCIDENT RECONST ANALYSIS EFFECT ON INSD LIAB	Input - Dates steps completed; summary analysis; impact on insured's liability.
9	STATEMENT SUMMARY	Display - Involved person ID, person type (insured, claimant, passenger, etc), NAME and impact on insured's liability; from CDS - Involved Person Statement screen.
10	ANALYSIS	Input - combined summary of involved person statements.

DESK: SJA
636 00097 6

CDS - LIABILITY INVESTIGATION (1)
1 INSD: GEORGE C

KRAMER

POLICE REPORT REVIEW: 03 - 01 - 1995 2
ANALYSIS: 3

EFFECT ON INSURED LIABILITY 2 4
5

(0=NONE 1=FAVOR 2=UNFAVOR)

SCENE PHOTOS/INVEST: 03 - 02 - 1995
ANALYSIS: 7

6
ACCIDENT RECONST: 03 - 26 - 1995

EFFECT ON INSURED LIABILITY 2 8

(0=NONE 1=FAVOR 2=UNFAVOR)

STATEMENT SUMMARY	ID	PERSON TYPE	NAME	
9	01	OWNER	GEORGE C	KRAMER
	02	DOCTOR	MARCUS	WELBY
	22	DOCTOR	DACH	KILDARE
	31	DRIVER	K	TRENTEETUNE
	37	DRIVER	N	TRENTESEPT
				NONE
				FAVORABLE
				FAVORABLE

ANALYSIS: 10

CDS - LIABILITY INVESTIGATION (1)

The Initial Liability Investigation (1) is the first of a series of three screens which record information relevant to determining the liability of the insured and claimants. The first screen includes information on the police report and scene investigations as well as summary of statements taken.

Screen: CDS - LIABILITY INVESTIGATION (2)

Display: By Claim		Access: CDS Menu (Selection 04)
REP	FIELDS	DESCRIPTION
1	INSD	Display - Insured name.
2	ID	Display - Involved owner/driver ID.
3	ESTIMATE AMT	Input - Current estimate (\$\$ only) of property damage to auto associated with involved ID.
4	ESTIMATE DATE	Input - Date of estimate.
5	TOTAL LOSS (Y/N)	Display - From Loss Report screens.
6	PHOTO DATE	Input - Date on which photo(s) of involved auto(s) were taken.
7	ANALYSIS	Input - Analysis of impact with regard to potential liability.
8	P.O.I. EFFECT ON INSD LIAB	Input - Point of impact and damage analysis effect on insured's liability.

DESK: SJA
636 000097 6

1 CDS - LIABILITY INVESTIGATION (2)
INSD: GEORGE C KRAMER

2 ID	3 ESTIMATE AMT	PROPERTY DAMAGE INFORMATION			5 TOTAL LOSS (Y/N)	6 PHOTO DATE
		4 ESTIMATE DATE				
01	_____	__ - __ - ____			Y	03 - 09 - 1995
29	_____	__ - __ - ____				__ - __ - ____
30	_____	__ - __ - ____				__ - __ - ____
32	_____	__ - __ - ____				__ - __ - ____
36	_____	__ - __ - ____				__ - __ - ____
38	_____	__ - __ - ____				__ - __ - ____

7
ANALYSIS: _____

P.O.I EFFECT ON INSURED LIAB: ⁸ 1 (0=NONE 1=FAVOR 2=UNFAVOR)

PP4-PREV SCREEN

CDS - LIABILITY INVESTIGATION (2)

Liability Investigation (2) screen allows for recording property damage estimates and the use of related investigation tools.

Screen: CDS - LIABILITY INVESTIGATION (3)

Display: By Claim		Access: CDS Menu (Selection 04)	
REF	FIELDS	DESCRIPTION	
1	INSD	Display - Insured name.	
2	LOSS INTERPRETATION	Input - Claim rep's interpretation of accident facts.	
3	ID	Display - Involved person ID.	
4	CLMT LIAE %	Input - Liability of the claimant applied relative to the insured liability	
5	INSD LIAE %	Input - Liability of the insured relative to this involved person.	

DESK: SJA
636 000097 6

CDS - LIABILITY INVESTIGATION (3)
1 INSD: GEORGE C KRAMER

2
LOSS INTERPRETATION: _____

LIABILITY APPLIED							
3	4		5				
ID	CLMT	LIAB %	INSD	LIAB %	ID	CLMT LIAB %	INSD LIAB %
01		20		40	08	---	---
04		---		---	09	---	---
06		---		---	11	---	---

PF4-PREV SCREEN

CDS - LIABILITY INVESTIGATION (3)

The Liability Investigation (3) screen provides space for the claim representative's interpretation of loss facts. It is also the screen on which the final determination of liability is recorded.

Screen: CDS - LIABILITY INVESTIGATION SUMMARY

Display: BV Claim		Access: CDS Menu (Selection 05)
REF	FIELDS	DESCRIPTION
1	INSD	Display - Insured name.
2	POLICE REPORT ANLYS SCENE INV/ACCID REC POINT OF IMPACT	Display - Effects (none, favorable or unfavorable) of liability investigations on insured's liability; from prior Liability Investigation screens.
3	ID ESTIMATE AMOUNT ESTIMATE DATE TOTAL LOSS (Y/N) PHOTO DATE	Display - Property damage data; from Liability Investigation #2 screen.
4	ID PERSON TYPE NAME SUMMARY	Display - Statement summary data; from Involved Person Statement and Liability Investigation #1 screens.
5	ID CLMT LIAS INSD LIAS	Display - Liability Applied; from Liability Investigation #3 screen.

DESK: SJA
636 000097 6

CDS - LIABILITY INVESTIGATION SUMMARY
1 INSD: GEORGE C KRAMER

POLICE REPORT ANLYS: 2 UNFAVORABLE
SCENE INVEST/ACCIDENT RECONST: UNFAVORABLE
POINT OF IMPACT: FAVORABLE

ID	3	PD ESTIMATE	PD PHOTO	ID	PD ESTIMATE	PD PHOTO
01			03-09-1995	30	60	
29		10		32	17	

STATEMENT	ID	PERSON TYPE	NAME		
SUMMARY	01	OWNER	GEORGE C KRAMER		
	02	DOCTOR	MARCUS WELBY		
4	22	DOCTOR	DACH KILDARE		NONE
	31	DRIVER	K TRENTTEETUNE		FAVORABLE

LIABILITY APPLIED 5

ID	CLMT LIAB %	INSD LIAB %	-	ID	CLMT LIAB %	INSD LIAB %
01	02			08		
04				09		
06				11		

CDS - LIABILITY INVESTIGATION SUMMARY

The Liability Investigation Summary screen is a display only record of key information from Liability Investigation screens 1, 2 and 3.

Screen: CDS - DAMAGE INVESTIGATION (1)

Display: By Injured Person Access: CDS Menu (Selection 06)		
REF	FIELDS	DESCRIPTION
1	ID	Display - ID and name of injured person.
2	INJURY DESCRIPTION	Input - Summary statement of injured person's injury.
3	INJURY CLAIM MEETS THRESHOLD	Input - Does injury meet state threshold requirements.
4	IMPACT ASSESSMENT	Input - MEASUREMENT DATA ; indicate level of damage to vehicle based on investigation. Codes (see HELP): 0=None 1=Minor (e.g. bumper damage) 2=Moderate (e.g. bumper damage with quarter panel buckling) 3=Major (e.g. trunk "crunched" into back seat 4=Non-auto (e.g. pedestrian, motorcycle, bicycle, etc)
5	MIST/THRESHOLD HANDLING	Input - MEASUREMENT DATA ; indicate if this claim is being handled as MIST/Threshold file. NOTE: MIST/THRESHOLD HANDLING indicator must be entered to close coverage.
6	SIC HANDLING	Input - Indicate if this claim is being handled by the Special Investigative Unit.
7	FACE TO FACE	Display - Date of face to face contact; from Initial Contact screen.
8	STATEMENT	Display - Statement date; from Involved Person Statement screen.
9	IIB ANALYSIS	Input - Date information on prior injuries from Injury Index Bureau was analyzed.
10	CLMT CARRIER CONTACT	Input - Date of contact with claimant's insurer.
11	ANALYSIS	Input - Analysis of above investigative findings.

DESK: SJA
636 000097 6 1
ID: 01 GEORGE C -

CDS - DAMAGE INVESTIGATION (1)

KRAMER

INJURY DESCRIPTION: 2 _____

INJURY CLAIM MEETS THRESHOLD: _ (Y/N) 3

IMPACT ASSESSMENT: 4 (0=NONE 1=MINOR 2=MODER 3=MAJOR 4=NON-AUTO)

MIST/THRESHOLD HANDLING: 5 (Y/N) SIU HANDLING: 6 (Y/N)

FACE TO FACE: - - 7

STATEMENT: 03 - 02 - 1995 8

IIB ANALYSIS: - - - 9
CLMT CARRIER CONTACT: - - - 10

ANALYSIS: 11 _____

PF1=HELP

CDS - DAMAGE INVESTIGATION (1)

The Damage Investigation (1) captures or displays already gathered information regarding the nature of the injury, special handling (i.e. MIST/Threshold and SIU) and injury investigative tools used.

Screen: CDS - DAMAGE INVESTIGATION (2)

Display: BY Injured Person Access: CDS Menu (Selection 06)		
REF	FIELDS	DESCRIPTION
1	ID	Display - ID and name of injured person.
2	FINAL SPECIALS RECEIVED	Input - Date on which sufficient information was received to analyze injuries and evaluate the claim.
3	MERS ANALYSIS	Input - Analysis of medical specials.
4	DIAG TEST RESULTS POS, NEG, DEG	Input - Indicate with an X the results of tests reported by claimant's doctor; options for diagnostic test results (any combination may apply): POS - positive findings NEG - negative findings DEG - degenerative condition identified
5	ANALYSIS	Input - Overall analysis of diagnostic tests.
6	RECORD REVIEW	Input - Completion date of formal review of injured person medical records and/or independent medical examination.
7	IME	
8	ANALYSIS	Input - Overall analysis of medical review.
9	SURVEILLANCE	Input - Completion date of surveillance activities.
10	ANALYSIS	Input - Analysis of surveillance results.

DESK: SJA
636 00097 6 1
ID: 01 GEORGE C

CDS - DAMAGE INVESTIGATION (2)
|
KRAMER

FINAL SPECIAL RECEIVED: ² ___ - ___ - ___
MERS ANALYSIS: ³ _____

DIAGNOSTIC TEST RESULTS ⁴ POS: ___ NEG: ___ DEG: ___
ANALYSIS: ⁵ _____

RECORD REVIEW: ⁶ ___ - ___ - ___
IME: ⁷ ___ - ___ - ___
ANALYSIS: ⁸ _____

SURVEILLANCE: ⁹ ___ - ___ - ___
ANALYSIS: ¹⁰ _____

PF4-PREV SCREEN

CDS - DAMAGE INVESTIGATION (2)

The Damage Investigation (2) screen captures information regarding medical specials, tests performed and other verification tools used.

Screen: CDS - DAMAGE INVESTIGATION (3)

Display: By Injured Person Access: CDS Menu (Selection 06)		
REF	FIELDS	DESCRIPTION
1	ID	Display - ID and name of injured person.
2	MEDICAL HISTORY ANALYSIS	Input - Date completed.
3	RELATIONSHIP OF INJURY TO ACCIDENT	Input - Analysis of previous injuries, existing conditions and injuries subsequent to accident.
4	EMPL/WAGE LOSS VERIFICATION	Input - Date completed.
5	WAGE LOSS ANALYSIS	Input - Analysis of wage loss circumstances, including if the disability was verified medically.
6	PD PHOTOS PD ESTIMATE	Display - Date of PD photos and PD estimates; from Liability Investigation (2) screen.
7	BIO-MECHANICAL	Input - Date on which a biomechanical assessment was completed.
8	SEAT POSITION SEAT BELT WORN AIF BAG DEPLOYED	Display - Seat and passive restraint data; from the Casualty Hub.
9	SEVERITY OF INJURY/ FORCE OF IMPACT	Input - Analysis of severity of injury relative to impact and other contributing factors.

DESK: SJA
636 000097 6 1
ID: 01 GEORGE C

CDS - DAMAGE INVESTIGATION (3)

KRAMER

MEDICAL HISTORY ANALYSIS: ² ___ - ___ - ___
RELATIONSHIP OF INJURY TO ACCIDENT: ³ _____

EMPL/WAGE LOSS VERIFICATION: ⁴ ___ - ___ - ___
WAGE LOSS ANALYSIS: ⁵ _____

6 PD PHOTOS: 03 - 09 - 1995
PD ESTIMATE AMT: _____ 0
BIO-MECHANICAL: ⁷ ___ - ___ - _____

⁸ SEAT POSITION: _____
SEAT BELT WORN: _____
AIR BAG DEPLOYED: _____

SEVERITY OF INJURY/FORCE OF IMPACT: ⁹ _____

PF4-PREV SCREEN

CDS - DAMAGE INVESTIGATION (3)

The Damage Investigation (3) screen captures additional investigative information related to injuries and how they might have occurred, including medical analysis, use of passive restraint devices and severity of impact.

Screen: CDS - DAMAGE INVESTIGATION SUMMARY

Display: By Injured Person Access: CDS Menu (Selection 07)		
REF	FIELDS	DESCRIPTION
1	ID	Display - ID and name of injured person.
2	IMPACT ASSESSMENT	Display - Level of impact; from Damage Investigation #1 screen.
3	INJURY DESCRIPTION	Display - Description of injury; from Liability Investigation #1 screen.
4	INS CLAIM MEET THRESHOLD thru PD ESTIMATE	Display - Factors affecting damages analysis; from prior CDS screens.

DESK: SJA
636 000097|6 1
ID: 01 GEORGE C

CDS - DAMAGE INVESTIGATION SUMMARY

KRAMER

IMPACT ASSESSMENT: 2
INJURY DESCRIPTION: C/ 3

INJ CLAIM MEET THRESHOLD: 4
IIB:
FACE TO FACE:
STATEMENT: 03-02-1995
SPECIALS RECEIVED:
RECORD REVIEW:
TEST RESULTS:
MED HISTORY ANLYS:
IME:
EMPL/WAGE LOSS VER:

MIST/THRESHOLD HANDLING: Y
SIU HANDLING:
SURVEILLANCE:
CLMT CARRIER CONTACT:
SEAT POSITION:
SEAT BELT WORN:
AIR BAG DEPLOYED:
BIO-MECHANICAL:
PD PHOTOS: 03-09-1995
PD ESTIMATE:

CDS - DAMAGE INVESTIGATION SUMMARY

The Damage Investigation Summary is a display only summary of information captured on Damage Investigation screens 1, 2 and 3.

Screen: CDS - Negotiation Plan

Display: By Injured Person Access: CDS Menu (Selection 08)		
REF	FIELDS	DESCRIPTION
1	ID	Display - ID and name of injured person.
2	ATTORNEY	Display - Name of injured person's attorney; from Casualty Hub.
3	PHONE	Display - Phone of injured person's attorney; from Casualty Hub.
4 5	INSD LIAB CLMT LIAB	Display - Determination of insured and claimant liability; from Liability Investigation (3) screen.
6	OUR ARGUMENT	Input - Summary of liability and damage positions to be taken in negotiating the claim.
7	THEIR ALLEGATION	Input - The likely or anticipated positions to be taken by the claimant or plaintiff attorney.
8	OUR RESPONSE TO THEIR ALLEGATION	Input - The anticipated response to be made in response to positions taken by the claimant or plaintiff attorney.

DESK: SJA
636 000097 6 1
ID: 04 FOUR
ATTORNEY: TOM 2
CLMT LIAB: 4

CDS - NEGOTIATION PLAN

OH
SPENCE
5

PHONE: 3 -

OUR ARGUMENT: 6

THEIR ALLEGATION: 7

OUR RESPONSE TO THEIR ALLEGATION: 8

CDS - NEGOTIATION PLAN

The Negotiation Plan is a worksheet format for narrative entries of negotiation arguments and the allegations expected to made by the claimant. In addition, the plaintiff attorney name and phone number and liability determination are displayed from other CDS and Casualty Hub screens.

Screen: CDS - EVALUATION REVIEW

Display: By Injured Person Access: CDS Menu (Selection 09)		
REF	FIELDS	DESCRIPTION
1	ID	Display - ID and name of injured person.
2	EVALUATION SYSTEM RECOMMENDATION - HIGH and LOW	Display - The high and low settlement amounts established through a consultation on the mechanized evaluation system. The amounts from the most recent consultation will appear.
3	CLAIM HANDLER RECOMMENDATION - AMOUNT - DATE	Input - The claim rep's recommended total settlement amount (\$\$ only) and the date of the evaluation. These fields may be left blank for Fast Track settlements. NOTE: Access Control (CDS 01) limits the ability to add or modify this data to claim reps with general access to CDS screens.
4	EVALUATION CONSULTANT RECOMMENDATION - AMOUNT - DATE	Input - MEASUREMENT DATA; the evaluation consultant's recommended total settlement amount (\$\$ only; "0" amount is a valid) and the date of the recommendation. These fields may be left blank for Fast Track settlements. NOTE: Access Control (CDS 02) limits the ability to add or modify this data to the evaluation consultant.
5	INJURY TYPE SELECTED	Display - The injury classification currently recorded for this record; from Initial Contact screen
6	COMMENTS	Input - Any comments relative to the evaluation calculations and recommendations.

DESK: SJA
636 000097 6 1
ID: 01 GEORGE C

CDS - EVALUATION REVIEW

KRAMER

EVALUATION SYSTEM RECOMMENDATION:

HIGH: 2
LOW:

CLAIM HANDLER RECOMMENDATION:

AMOUNT: 0 3
DATE: 05 - 01 - 1995

EVALUATION CONSULTANT RECOMMENDATION:

AMOUNT: 131 4
DATE: 03 - 11 - 1995

INJURY TYPE SELECTED: 5

PLEASE VERIFY AND CORRECT ON INITIAL CONTACT SCREEN IF NECESSARY

COMMENTS: 6

CDS - EVALUATION REVIEW

The Evaluation Review screen displays the recommendation resulting from the evaluation system consultation and captures the recommendations of both the claim rep and the evaluation consultant.


```

** EXCEPTION CLEARING          ** CLOSE COVERAGE **
CLAIM NUMBER: ----- ** *TRANSACTION RECALL* ** SIMULATED PROCESSING **
ITEM/CLAIMANT          DESK LOCATION: --- LINE CODE: --- SELECTION: ---
                       CLOSE ASSIGNMENT (Y/TAB) RESOLUTION TYPE
                       --- --
                       --- --
                       --- --
                       --- --
                       --- --
                       --- --

```

CLOSE COVERAGE

This CCS screen is not new, but is a modification of the existing screen or order to capture resolution type on closure.

See page 45 for options.

Screen: SYSTEM ISSUED CHECK
 MANUAL ISSUED CHECK
 CLOSE COVERAGE

Display: By Claim		Access: CCS
REP	FIELDS	DESCRIPTION
1	RES or RESOLUTION TYPE	<p>Input - MEASUREMENT DATA; indicates the means by which the claim was settled; must be entered to close auto BI and UM/UTM coverage.</p> <p>Codes (see HELP):</p> <ul style="list-style-type: none"> 01 - Negotiated Settlement/ Denial 02 - Verdict 03 - Mandatory Arbitration Award 04 - ADR (incl Mediation, Arbitration, etc) 05 - Fast Track 06 - CWP with No Contact - (CLOSE COVERAGE screen only: S2 'A's, PreLRS Claims)

NOTE: During rollout of CCPR casualty process changes, only Claim
 Reps with CDS access control will see RESOLUTION TYPE on these screens
 or be affected by the edit requiring resolution type entry.

** OPEN COVERAGE **

CLAIM NUMBER: 6791111120 CMR DESK LOCATION: DAS LINE CODE: 10 SELECTION: 01

ITEM/CLAIMANT	RESERVE/TAB	ACCT. EMP ID
AA01	10000	DERH 1
BB01		DERH
SS01	10000	DBRE

CATASTROPHE CODE/TAB:

VERIFY/CHANGE ACCOUNTABLE EMPLOYEE ID

OPEN COVERAGE

This CCS screen is not new, but is a modification of the existing screen in order to capture Contact Accountable Employee ID.

See page 48 for options

** REOPEN **

CLAIM NUMBER: 6791111120

DESK LOCATION: DAS LINE CODE: 10 SELECTION: 05

ITEM/CLAIMANT
AA01
BB01
SS01

RESERVE/TAB
10000
10000

ACCT. EMP ID 1
DBRE
DBRE

VERIFY/CHANGE ACCOUNTABLE EMPLOYEE ID

REOPEN COVERAGE

This CCS screen is not new, but is a modification of the existing screen in order to capture Contact Accountable Employee ID.

See page 48 for options

Screen: OPEN COVERAGE
REOPEN COVERAGE

Display: By Claim		Access: CCS
REF	FIELDS	DESCRIPTION
1	ACCT. EMPLOYEE ID	Input - MEASUREMENT DATA; indicates the Employee ID responsible for making Initial Contact with the Claimant. Will be used for 'Time to Contact'.

NOTE: During rollout of CCPR casualty process changes, only Claim Reps with CCS access control will see ACCT. EMPLOYEE ID on these screens or be affected by the edit requiring resolution type entry.

Subject: C170 - Contact Time Report

General Description

The C170 - Contact Time Report measures the number of days from the date of loss to the time the date of injured claimant contact. It displays the dispersement of Time to Contact on a summary level monthly and YTD by Desk, Unit, MCO, Territory and Regional levels

Frequency and Distribution

This report will be run twice a month, the first weekend and the third weekend of every month, and will reflect the prior months activities. There will be separate reports for BI (AA coverage) and UM/UIM (SA, SC, SE, SN, SS, ST, SU coverages).

It should be distributed to the CCM, UCM (for unrepresented units).

These reports will be on SAR Express. They are broken between BI coverages and UM/UIM BI coverages and between MCO and Region. The List #'s are:

C170B	Contact Time - BI - Individual MCOs
C170B-REG	Contact Time - BI - Regional Summaries
C170U	Contact Time - UM - Individual MCOs
C170U-REG	Contact Time - UM - Regional Summaries

To view these reports, type the report name in the SYSOUT ID field in SAR and hit enter. Type an 'S' next to the report you want to look at, C170B for a list of the Individual MCO reports or C170B-REG for a list of the Region Summaries. On the next screen, type a '1' in the OPTION field for '1 VIEW BY MCO'. This will display a list of the MCO or Region numbers and names. Type an 'S' next to the office or region you wish to view.

List Exhibit - C170 - Individual MCO

C170B - CONTACT TIME - BI CLAIMANTS
 OFFICE LOCATION: 2594 -- FORT WASHINGTON CASU UNIT: L
 RUN DATE: 05/07/95 PAGE: 234
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 -- VALLEY Forge

DESK	MONTH	NET CLAIMANTS	NO CONTACT	DAYS TO CONTACT						3 OVER 3 DAYS	
				0	1	2-3	4-5	6-10	11-20		21-30
	YTD:	37	25	1	1	2	2	1	1	0	2

C170B - CONTACT TIME - BI CLAIMANTS
 OFFICE LOCATION: 2594 -- FORT WASHINGTON CASU UNIT: L
 RUN DATE: 05/07/95 PAGE: 237
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 -- VALLEY Forge

DESK	MONTH	NET CLAIMANTS	NO CONTACT	DAYS TO CONTACT						3 OVER 3 DAYS	
				0	1	2-3	4-5	6-10	11-20		21-30
	YTD:	7	2	1	1	1	0	0	0	0	1

C170B - CONTACT TIME - BI CLAIMANTS
 OFFICE LOCATION: 2594 -- FORT WASHINGTON CASU UNIT: L
 RUN DATE: 05/07/95 PAGE: 241
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 -- VALLEY Forge

DESK	MONTH	NET CLAIMANTS	NO CONTACT	DAYS TO CONTACT						3 OVER 3 DAYS	
				0	1	2-3	4-5	6-10	11-20		21-30
	YTD:	6	6	0	1	0	0	0	0	0	0

C170B - CONTACT TIME - BI CLAIMANTS
 OFFICE LOCATION: 2594 -- FORT WASHINGTON CASU UNIT: L
 RUN DATE: 05/07/95 PAGE: 241
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 -- VALLEY Forge

DESK	MONTH	NET CLAIMANTS	NO CONTACT	DAYS TO CONTACT						3 OVER 3 DAYS	
				0	1	2-3	4-5	6-10	11-20		21-30
	YTD:	172	142	2	2	5	6	1	3	1	2

List Exhibit - C170 - Regional Summary

C1700 - CONTACT TIME - BI CLAIMANTS		(REGION SUMMARY BY HCD)		RUN DATE: 05/07/95		PAGE						
REGION: 08 -- VALLEY Forge				REPORT PERIOD: 04/01/95 - TO - 04/30/95								
HCD/LCC	NET CLAIMANTS	NO CONTACT	DAYS TO CONTACT									% OVER 3 DAYS
			0	1	2-3	4-5	6-10	11-20	21-30	31+		
1300	HTH: 0	0	0	0	0	0	0	0	0	0	0	
	YTD: 1	1	0	0	0	0	0	0	0	0	0	
1550	HTH: 195	195	0	0	0	0	0	0	0	0	0	
	YTD: 327	327	0	0	0	0	0	0	0	0	0	
1700	HTH: 184	79	3	6	14	1	2	0	0	1	0	
	YTD: 464	274	13	48	45	13	20	12	2	17	0	
2420	HTH: 92	91	0	0	0	0	0	0	0	1	0	
	YTD: 434	429	0	0	0	0	0	0	0	1	0	
2590	HTH: 345	202	0	7	22	12	20	0	5	9	0	
	YTD: 319	981	15	43	61	66	53	27	13	48	0	
4070	HTH: 108	108	0	0	0	0	0	0	0	0	0	
	YTD: 412	412	0	0	0	0	0	0	0	0	0	
6010	HTH: 214	214	0	0	0	0	0	0	0	0	0	
	YTD: 853	852	0	0	0	0	0	0	0	0	0	
6640	HTH: 72	50	0	3	1	5	3	0	1	0	0	
	YTD: 344	264	0	7	13	13	14	5	3	3	0	
6650	HTH: 95	95	0	0	0	0	0	0	0	0	0	
	YTD: 363	343	0	0	0	0	0	0	0	0	0	
6940	HTH: 29	29	0	0	0	0	0	0	0	0	0	
	YTD: 143	143	0	0	0	0	0	0	0	0	0	
7500	HTH: 10	10	0	0	0	0	0	0	0	0	0	
	YTD: 102	97	0	1	0	0	1	1	0	2	0	

C1700 - CONTACT TIME - BI CLAIMANTS		(REGION SUMMARY BY HCD)		RUN DATE: 05/07/95		PAGE						
REGION: 08 -- VALLEY Forge				REPORT PERIOD: 04/01/95 - TO - 04/30/95								
HCD/LCC	NET CLAIMANTS	NO CONTACT	DAYS TO CONTACT									% OVER 3 DAYS
			0	1	2-3	4-5	6-10	11-20	21-30	31+		
	HTH: 1187	1004	4	14	37	10	25	0	4	11	95	
	YTD: 4734	4145	33	128	127	93	66	37	18	62	14	
TOTAL HCD'S PROCESSED -		11										

Detailed Description

Heading	
Item	Description
Title	C170B - Contact Time - BI Claimants C170U - Contact Time - UM Claimants
Run Date	Date of report creation
Page	Page Number
Report Period	Month Report generated for
Office Location	Location Code and Name of Office
Unit	Unit of Desk Location (Desk and Unit summary only)
Region	Region Code and Name

Detail Entries	
Item	Description
Desk	The original MCO desk location assigned to the claim. (Desk level reports only) It is determined as follows: <ol style="list-style-type: none"> 1. If the method of loss notice is 'loss taken in the MCO', we will use the first desk location. 2. If the method of loss notice is 'loss taken by agent' or 'service center', we will use the second desk location.
Net Claimants	Total, for the desk, unit, MCO or Region of all Item/Claimants opened during the Month of the report (year for YTD) and after Regional Implementation Date excluding those that were opened and CWP'd in 30 days or less.
No Contact	Any claimants included in Net Claimants that do not have an Initial Contact date.
Days to Contact	Claimants included in Net Claimants that have an Initial Contact Date. It is calculated as Initial Contact Date - Loss Date. Include columns for the following Days to Contact ranges: 0, 1, 2-3, 4-5, 6-10, 11-20, 20-30, 31+

Detail Entries	
Item	Description
% Over 3 Days	No Contact - Days to Contact totals for 4-5, 6-10, 11-20, 20-30, -31 divided by Net Claimants

Subject: C171 - Representation Rate Report

General Description

The C171 - Representation Rate Report reflects a 12 month moving window of item/claimants opened during a reporting month and their Representation status. This is a summary level report broken by Desk, Unit, MCO and Region.

Frequency and Distribution

This report will be run once a month (on the first weekend of each month) and will reflect the prior month's activities. There will be separate reports for BI (AA coverage) and UM/UTM (SA, SC, SE, SN, SS, ST, SU coverages).

It should be distributed to the CCM, MCM, Region, Home Office.

These reports will be on SAR Express. They are broken between BI coverages and UM/UTM BI coverages and between MCO and Region. The List #s are:

C171B	Representation Rate - BI - Individual MCOs
C171B-REG	Representation Rate - BI - Regional Summaries
C171U	Representation Rate - UM - Individual MCOs
C171U-REG	Representation Rate - UM - Regional Summaries

To view these reports, type the report name in the SYSOUT ID field in SAR and hit enter. Type an 'S' next to the report you want to look at, C171B for a list of the Individual MCO reports or C171B-REG for a list of the Region Summaries. On the next screen, type a '1' in the OPTION field for '1 VIEW BY MCO'. This will display a list of the MCO or Region numbers and names. Type an 'S' next to the office or region you wish to view.

List Exhibit - C171 - Individual MCO

C171B - REPRESENTATION RATE - B) CLAIMANTS
 OFFICE LOCATION: 2594 -- FORT WASHINGTON CASU UNIT: A RUN DATE: 05/07/95 PAGE: 107
 REGION STARTUP DATE: 09/19/94 REGION: 00 -- VALLEY FORGE

DESA: A23

MONTH	NBR OF CLAIMANTS	REPRESENTED			PERCENTAGE REPRESENTED	UNREPRESENTED		
		CWP / PCT	CWA	PENDING / PCT		CWP / PCT	CWA	PENDING / PCT
04/1995	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
05/1995	18	0 / 0.00	0	0 / 0.00	0.00	1 / 20.00	0	4 / 60.00
02/1995	11	0 / 0.00	0	0 / 0.00	0.00	4 / 66.67	0	3 / 33.33
01/1995	8	0 / 0.00	0	0 / 0.00	0.00	5 / 45.45	0	1 / 54.55
12/1994	1	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
11/1994	2	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
10/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
09/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
08/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
07/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00

MONTH	NBR OF CLAIMANTS	REPRESENTED			PERCENTAGE REPRESENTED	UNREPRESENTED		
		CWP / PCT	CWA	PENDING / PCT		CWP / PCT	CWA	PENDING / PCT
04/1995	31	2 / 64.52	0	1 / 32.26	5.00	1 / 32.26	0	7 / 22.58
03/1995	31	0 / 0.00	0	1 / 32.26	0.00	2 / 64.52	0	8 / 25.77
02/1995	34	0 / 0.00	0	1 / 29.41	0.00	15 / 44.12	0	18 / 52.88
01/1995	4	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
12/1994	1	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
11/1994	1	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
10/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
09/1994	18	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
08/1994	26	0 / 0.00	0	1 / 38.46	0.00	0 / 0.00	0	2 / 7.69
07/1994	5	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00

THIS UNIT DESA: A23

C171B - REPRESENTATION RATE - B) CLAIMANTS
 OFFICE LOCATION: 2594 -- FORT WASHINGTON CASU UNIT: A RUN DATE: 05/07/95 PAGE: 108
 REGION STARTUP DATE: 09/19/94 REGION: 00 -- VALLEY FORGE

MONTH	NBR OF CLAIMANTS	REPRESENTED			PERCENTAGE REPRESENTED	UNREPRESENTED		
		CWP / PCT	CWA	PENDING / PCT		CWP / PCT	CWA	PENDING / PCT
04/1995	346	3 / 0.87	0	57 / 16.47	0.87	85 / 24.28	0	191 / 55.12
03/1995	513	3 / 0.58	0	106 / 20.66	0.58	167 / 32.55	0	212 / 41.44
02/1995	462	2 / 0.43	0	43 / 9.31	0.43	14 / 3.03	0	11 / 2.38
01/1995	524	2 / 0.38	0	14 / 2.67	0.38	196 / 37.41	0	111 / 21.18
12/1994	524	7 / 1.33	0	64 / 12.21	1.33	196 / 37.41	0	111 / 21.18
11/1994	657	19 / 2.89	0	105 / 15.98	2.89	121 / 18.42	0	177 / 26.94
10/1994	298	0 / 0.00	0	12 / 4.03	0.00	126 / 42.28	0	112 / 37.58
09/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
08/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
07/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00

List Exhibit - C171 - Regional Summary

C171B - REPRESENTATION RATE - BI CLAIMANTS (REGION SUMMARY BY HCO) RUN DATE 05/07/95 PAGE 17
 REGION: 06 -- VALLEY Forge REGION STARTUP DATE: 09/19/94

HCO: 1781 CHADDS FORD

MONTH	NUM OF CLAIMANTS	REPRESENTED				PERCENTAGE REPRESENTED	UNREPRESENTED			
		CWP / PCT	CWA	PENDING / PCT	CWA		PENDING / PCT	CWA	PENDING / PCT	
04/1995	66	0 / 0.00	0	15 / 100.00	21.43	10 / 24.66	0	52 / 77.23	0	0 / 0.00
03/1995	100	1 / 2.00	1	23 / 75.00	17.00	36 / 36.00	5	101 / 61.50	0	0 / 0.00
02/1995	144	3 / 17.45	1	13 / 74.47	16.20	77 / 51.40	5	61 / 48.64	0	0 / 0.00
01/1995	203	1 / 5.24	0	10 / 94.74	19.25	189 / 59.24	11	66 / 35.67	0	0 / 0.00
12/1994	187	3 / 17.24	0	24 / 82.74	34.29	112 / 70.00	0	30 / 24.05	0	0 / 0.00
11/1994	159	4 / 14.01	0	22 / 81.40	31.94	74 / 60.16	11	38 / 30.09	0	0 / 0.00
10/1994	208	4 / 13.33	0	25 / 84.67	26.00	184 / 50.45	20	54 / 30.34	0	0 / 0.00
09/1994	81	0 / 0.00	0	1 / 81.82	30.54	47 / 50.20	0	29 / 27.74	0	0 / 0.00
08/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
07/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00

C171B - REPRESENTATION RATE - BI CLAIMANTS (REGION SUMMARY BY HCO) RUN DATE 05/07/95 PAGE 18
 REGION: 06 -- VALLEY Forge REGION STARTUP DATE: 09/19/94

HCO: 2590 FORT WASHINGTON CALL

MONTH	NUM OF CLAIMANTS	REPRESENTED				PERCENTAGE REPRESENTED	UNREPRESENTED			
		CWP / PCT	CWA	PENDING / PCT	CWA		PENDING / PCT	CWA	PENDING / PCT	
04/1995	344	3 / 5.99	0	57 / 95.00	22.09	85 / 29.72	5	194 / 64.53	0	0 / 0.00
03/1995	513	3 / 2.65	0	106 / 95.50	32.07	167 / 41.75	21	212 / 53.04	0	0 / 0.00
02/1995	583	0 / 0.00	0	63 / 91.44	16.40	236 / 52.19	19	199 / 43.64	0	0 / 0.00
01/1995	442	2 / 11.74	0	14 / 82.35	5.68	194 / 44.04	20	221 / 49.94	0	0 / 0.00
12/1994	524	7 / 12.50	0	40 / 85.71	17.50	237 / 50.44	20	203 / 43.30	0	0 / 0.00
11/1994	357	10 / 10.99	0	70 / 85.71	27.74	246 / 54.33	11	192 / 41.83	0	0 / 0.00
10/1994	499	2 / 2.11	0	92 / 96.04	35.34	234 / 57.12	20	162 / 38.15	0	0 / 0.00
09/1994	299	0 / 0.00	0	42 / 85.71	32.11	142 / 61.41	15	60 / 33.29	0	0 / 0.00
08/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
07/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00

C171B - REPRESENTATION RATE - BI CLAIMANTS (REGION SUMMARY BY HCO) RUN DATE 05/07/95 PAGE 19
 REGION: 06 -- VALLEY Forge REGION STARTUP DATE: 09/19/94

MONTH	NUM OF CLAIMANTS	REPRESENTED				PERCENTAGE REPRESENTED	UNREPRESENTED			
		CWP / PCT	CWA	PENDING / PCT	CWA		PENDING / PCT	CWA	PENDING / PCT	
04/1995	1,262	3 / 3.79	0	70 / 94.34	9.74	434 / 37.51	34	607 / 59.30	0	0 / 0.00
03/1995	2,254	7 / 4.12	0	161 / 94.71	12.27	1,421 / 68.95	110	947 / 45.44	0	0 / 0.00
02/1995	1,991	0 / 0.00	0	70 / 87.55	7.53	1,859 / 51.35	160	732 / 38.34	0	0 / 0.00
01/1995	2,289	3 / 7.14	0	36 / 99.48	5.43	1,203 / 51.35	216	821 / 36.40	0	0 / 0.00
12/1994	2,223	12 / 12.19	0	60 / 84.82	6.00	1,299 / 50.25	240	643 / 30.63	0	0 / 0.00
11/1994	1,200	16 / 11.29	0	104 / 84.80	11.26	1,200 / 59.57	201	594 / 27.65	0	0 / 0.00
10/1994	2,328	6 / 4.44	0	125 / 92.59	12.91	1,129 / 40.09	270	594 / 27.65	0	0 / 0.00
09/1994	1,153	4 / 5.00	0	57 / 84.74	13.45	600 / 62.47	124	279 / 25.71	0	0 / 0.00
08/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
07/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
06/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00
05/1994	0	0 / 0.00	0	0 / 0.00	0.00	0 / 0.00	0	0 / 0.00	0	0 / 0.00

Detailed Description

Heading	
Item	Description
Title	C171B - Representation Rate - BI Claimants C171U - Representation Rate - UM Claimants
Run Date	Date of report creation
Page	Page Number
Region Startup Date	CCPR Measurement Implementation Date
Office Location	Location Code and Name of Office
Unit	Unit of Desk Location (Desk and Unit summary only)
Region	Region Code and Name

Detail Entries	
Item	Description
Desk	The original MCO desk location assigned to the claim. (Desk level reports only) It is determined as follows: <ol style="list-style-type: none"> 1. If the method of loss notice is 'loss taken in the MCO', we will use the first desk location. 2. If the method of loss notice is 'loss taken by agent' or 'service center', we will use the second desk location.
Month	Identifies the month and year that the item/claimant was initially opened. This will show 12 month moving detail by desk, unit, MCO or Region.
Number of Claimants	Number of Item/Claimants that have a claimant coverage open date > implementation date and opened within the month indicated.
Represented	
CWP	Count of Item/Claimants included in # of claimants that were closed without payment as of the run date that have a Notice of Attorney Representation Date.
CWP %	Calculated as represented CWP's divided by (Represented CWP's + Represented CWA's + Represented Pending)

Detail Entries	
CWA	Count of Item/Claimants included in # of claimants that were closed with payment as of the run date that have a Notice of Attorney Representation Date.
Pending	Count of Item/Claimants included in # of claimants that: a. are pending (no claimant closure date). b. were opened in the month indicated. c. have a Notice of Attorney Representation date.
Pending %	Calculated as Represented Pending divided by (Represented CWP's + Represented CWA's + Represented Pending)
% Rep'd	Calculated as (Represented CWA's + Represented Pending) divided by (Represented CWA's + Represented Pending + Unrepresented CWA's - Unrepresented Pending).
Unrepresented	
CWP	Count of Item/Claimants included in # of claimants that were closed without payment as of the run date that do not have a Notice of Attorney Representation date.
CWP %	Calculated as Unrepresented CWP's divided by (Unrepresented CWP's + Unrepresented CWA's - Unrepresented Pending)
CWA	Count of Item/Claimants included in # of claimants that were closed with payment as of the run date that do not have a Notice of Attorney Representation Date.
Pending	Count of Item/Claimants included in # of claimants that: a. are pending (no claimant closure date). b. were opened in the month indicated. c. do not have a Notice of Attorney Representation date.
Pending %	Calculated as Unrepresented Pending divided by (Unrepresented CWP's + Unrepresented CWA's - Unrepresented Pending)

Subject: C172 - Evaluation Results Report

General Description

The C172 - Evaluation Results Report reflects the item/claimants closed during the reporting period and whether or not they have been Evaluated. It will also reflect those Pending that have been Evaluated but not settled. This report segments the item/claimants into the following categories

Unrepresented

- Subjective
- Objective

Represented

No Suit

- MIST/Threshold
- Subjective
- Objective

In Suit

- MIST/Threshold
- Subjective
- Objective

Without Consultant

This is a summary level report broken by Desk, Unit, MCO and Region reflecting Monthly and YTD calculations

Frequency and Distribution

This report will be run once a month (the first weekend of each month) and will reflect the prior month's activities. There will be separate reports for BI (AA coverage) and UM/UTM (SA, SC, SE, SN, SS, ST, SU coverages).

It should be distributed to the CCM, UCM and the Claim Rep.

These reports will be on SAR Express. They are broken between BI coverages and UM/UTM BI coverages and between MCO and Region. The List #s are:

C172B	Evaluation Review - BI - Individual MCOs
C172B-REG	Evaluation Review - BI - Regional Summaries
C172U	Evaluation Review - UM - Individual MCOs
C172U-REG	Evaluation Review - UM - Regional Summaries

To view these reports, type the report name in the SYSOUT ID field in SAR and hit

enter. Type an 'S' next to the report you want to look at, C172B for a list of the Individual MCO reports or C172B-REG for a list of the Region Summaries. On the next screen, type a '1' in the OPTION field for '1 VIEW BY MCO'. This will display a list of the MCO or Region numbers and names. Type an 'S' next to the office or region you wish to view.

List Exhibit - C172 - Individual MCO

C172 - EVALUATION RESULTS - BI CLAIMANTS

OFFICE LOCATION: 2591 FORT WASHINGTON CASU UNIT: B RUN DATE: 05/15/95 PAGE 33
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 - VALLEY Forge

DESK: 011	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	1	0	0.00	1	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
REPRESENTED								
NO SUIT								
HIST/THRESHOLD	1	0	0.00	0	0	0.00	0	0
SUBJ	1	1,500	100.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
IN SUIT								
HIST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	0	0	0.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
TOTAL DESK	2	1,500	95.00	11	342,000	125.00	1	51,000
WITHOUT CONSULTANT	0	0	0.00	19	153,750	125.00	0	17,000

C172B - EVALUATION RESULTS - BI CLAIMANTS

OFFICE LOCATION: 2591 FORT WASHINGTON CASU UNIT: B RUN DATE: 05/15/95 PAGE 34
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 - VALLEY Forge

DESKS: 15	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	0	0	0.00	14	234,647	86.70	23	3,737
OBJ	0	0	0.00	5	170,754	95.34	10	24,859
REPRESENTED								
NO SUIT								
HIST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	0	72,000	90.00	15	187,134	90.40	7	1,214
OBJ	0	50,000	100.00	5	152,500	92.40	1	0
IN SUIT								
HIST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	0	0	0.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
TOTAL UNIT	14	317,000	95.10	49	1,199,531	101.00	40	10,855
WITHOUT CONSULTANT	0	0	0.00	20	500,224	101.00	0	0

C172B - EVALUATION RESULTS - BI CLAIMANTS

OFFICE LOCATION: 2591 FORT WASHINGTON CASU UNIT: B RUN DATE: 05/15/95 PAGE 114
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 - VALLEY Forge

DESKS: 16	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	2	84,500	100.00	59	722,594	94.70	114	6,005
OBJ	1	40,500	100.00	14	483,750	97.50	34	34,807
REPRESENTED								
NO SUIT								
HIST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	10	138,500	111.00	31	361,534	100.00	24	19,011
OBJ	5	76,250	100.00	25	482,915	104.00	9	16,299
IN SUIT								
HIST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	0	0	0.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
TOTAL MCO	34	787,000	102.00	108	2,612,793	102.20	281	44,571
WITHOUT CONSULTANT	171	902,054	102.00	524	2,618,925	102.20	281	44,571

List Exhibit - C172 - Regional Summary

C172B - EVALUATION RESULTS - BI CLAIMANTS (REGION SUMMARY BY HCO) RUN DATE: 05/15/95 PAGE: 2
 OFFICE LOCATION: 2598 FORT WASHINGTON CAS REPORT PERIOD: 04/01/95 - TO - 04/30/95 REGION: 00 -- VALLEY Forge

	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	7	84,588	100.00	59	722,594	94.78	114	6,285
OBJ	1	48,000	100.00	14	483,750	97.58	34	34,867
REPRESENTED								
NO SUIT								
W/ST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	18	138,588	100.00	51	361,534	100.00	24	19,811
OBJ	5	74,115	100.00	23	482,915	100.00	4	14,299
IN SUIT								
W/ST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	7	88,248	100.00	41	474,452	100.00	12	11,372
OBJ	5	367,508	98.99	18	867,588	107.11	5	41,788
TOTAL HCO	34	787,843	100.00	238	3,342,747	102.24	211	14,571
WITHOUT CONSULTANT	171	912,354		524	2,618,925			

C172B - EVALUATION RESULTS - BI CLAIMANTS (REGION SUMMARY BY HCO) RUN DATE: 05/15/95 PAGE: 4
 OFFICE LOCATION: 6844 EXTON REPORT PERIOD: 04/01/95 - TO - 04/30/95 REGION: 00 -- VALLEY Forge

	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	0	0	0.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
REPRESENTED								
NO SUIT								
W/ST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	0	0	0.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
IN SUIT								
W/ST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	0	0	0.00	0	0	0.00	0	0
OBJ	0	0	0.00	0	0	0.00	0	0
TOTAL HCO	0	0	0.00	0	0	0.00	0	0
WITHOUT CONSULTANT	53	639,884		151	1,283,348			

C172B - EVALUATION RESULTS - BI CLAIMANTS (REGION SUMMARY BY HCO) RUN DATE: 05/15/95 PAGE: 4
 OFFICE LOCATION: REPORT PERIOD: 04/01/95 - TO - 04/30/95 REGION: 00 -- VALLEY Forge

	CURRENT MONTH			YTD			PENDING	AVG PENDING EVAL AMOUNT
	CLOSED	PAID LOSS	% TO EVAL	CLOSED	PAID LOSS	% TO EVAL		
UNREPRESENTED								
SUBJ	6	87,658	99.33	71	731,944	94.81	125	5,992
OBJ	2	51,888	98.33	29	584,958	96.99	37	14,945
REPRESENTED								
NO SUIT								
W/ST/THRESHOLD	0	0	0.00	0	0	0.00	0	0
SUBJ	25	194,250	100.00	73	483,771	100.00	34	11,277
OBJ	9	248,115	100.00	29	642,915	103.27	14	8,547
IN SUIT								
W/ST/THRESHOLD	2	25,888	92.59	5	89,588	92.78	7	1,633
SUBJ	9	124,248	100.00	44	498,452	100.00	23	10,738
OBJ	7	487,888	98.99	24	1,819,837	107.38	11	34,848
TOTAL REGION	65	1,139,843	100.00	278	3,994,209	101.74	254	13,494
WITHOUT CONSULTANT	274	1,499,247		933	4,498,444			

Detailed Description

Heading	
Item	Description
Title	C172B - Evaluation Results - BI Claimants C172U - Evaluation Results - UM Claimants
Run Date	Date of report creation
Page	Page Number
Report Period	Month Report generated for
Office Location	Location Code and Name of Office
Unit	Unit of Desk Location (Desk and Unit summary only)
Region	Region Code and Name
Current Month	
Closed	Number of item/claimants closed during the report Month that have an Evaluation Consultant date entered for that segment
Paid Loss	Total amount of paid loss for Closed item/claimants that have an Evaluation Consultant date entered
% to Eval	Total Paid Loss amount (see above) divided by total Evaluation Consultant amount for the Closed Item/Claimants
YTD	
Closed	Number of item/claimants closed during the Year (or since Region Implementation date) that have an Evaluation Consultant date entered for that segment
Paid Loss	Total amount of paid loss for Closed item/claimants that have an Evaluation Consultant date entered
% to Eval	Total Paid Loss amount (see above) divided by total Evaluation Consultant amount for the Closed Item/Claimants
Pending	Item/Claimants that are open as of the report date that have an Evaluation Consultant date.
Avg Pending Eval Amount	Total Evaluation Consultant amount for Evaluated Pending divided by number of Evaluated Pending

Detail Entries	
Item	Description
Desk	MCO desk location that closed the item/claimant coverage.
Unrepresented	
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - No Notice of Attorney Representation date - Subjective injury type - Evaluation Consultant date was entered
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - No Notice of Attorney Representation date - Objective injury type - Evaluation Consultant date was entered
Represented	
No Suit	
MIST/Threshold	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - MIST Indicator entered as 'Y' - Evaluation Consultant date was entered - Injury type was entered
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - Evaluation Consultant date was entered - Subjective Injury type - MIST/Threshold entered as 'N' (or not entered)

Detail Entries	
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - Evaluation Consultant date was entered - Objective Injury type - MIST/Threshold entered as 'N' (or not entered)
In Suit	
MIST/Threshold	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - MIST Indicator entered as 'Y' - Evaluation Consultant date was entered - Injury type was entered
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - Evaluation Consultant date was entered - Subjective Injury type - MIST/Threshold entered as 'N' (or not entered)
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - Evaluation Consultant date was entered - Objective Injury type - MIST/Threshold entered as 'N' (or not entered)
Total	Total of all of the Unrepresented and Represented claimants detailed above for: <ul style="list-style-type: none"> - Closed # - Paid Loss - % To Evaluation
Without Consultant	Item/Claimants closed during the report period that do not have an Evaluation Consultant date entered.

Subject: C173 - Severity by Segment Report

General Description

The C173 - Severity by Segment Report reflects the item/claimants closed during the reporting period, total paid loss, paid severity and closed cost by segment. This report segments the item/claimants into the following categories

Unrepresented

- Subjective
- Objective

Represented

No Suit

- MIST/Threshold
- Subjective
- Objective

In Suit

- MIST/Threshold
- Subjective
- Objective

Without Consultant

This is a summary level report broken by Desk, Unit, MCO and Region reflecting Monthly and YTD calculations.

Frequency and Distribution

This report will be run once a month (the first weekend of each month), and will reflect the prior month's activities. There will be separate reports for BI (AA coverage) and UM/UM (SA, SC, SE, SN, SS, ST, SU coverages).

It should be distributed to the CCM, UCM and the Claim Rep.

These reports will be on SAR Express. They are broken between BI coverages and UM/UM BI coverages and between MCO and Region. The List #s are:

C173B	Severity by Segment - BI - Individual MCOs
C173B-REG	Severity by Segment - BI - Regional Summaries
C173U	Severity by Segment - UM - Individual MCOs
C173U-REG	Severity by Segment - UM - Regional Summaries

To view these reports, type the report name in the SYSOUT ID field in SAR and hit enter. Type an 'S' next to the report you want to look at, C173B for a list of the

Individual MCO reports or C173B-REG for a list of the Region Summaries. On the next screen, type a '1' in the OPTION field for '1 VIEW BY MCO'. This will display a list of the MCO or Region numbers and names. Type an 'S' next to the office or region you wish to view.

List Exhibit - C173 - Individual MCO

C173B - SEVERITY BY SEGMENT - BY CLAIMANTS

OFFICE LOCATION: 2516 -- FORT WASHINGTON CASU --

UNIT: B

RUN DATE: 05/15/95 PAGE: 213
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 08 -- VALLEY Forge

DESC: B11	CURRENT MONTH					YTD				
	CWP	CWA	PAID LOSS	PAID SEV	CLOSED COST	CWP	CWA	PAID LOSS	PAID SEV	CLOSED COST
UNREPRESENTED										
SUBJ										
OBJ								9,500	9,500	9,500
REPRESENTED								13,000	13,000	13,000
NO SUIT										
WST/THRESHOLD										
SUBJ	2	3	3,250	1,750	0	0	0	0	0	0
OBJ	0	1	18,000	18,000	18,000	3	11	53,950	4,800	3,825
IN SUIT								64,500	21,500	27,500
WST/THRESHOLD										
SUBJ	0	0	0	0	0	0	0	0	0	0
OBJ	1	3	41,000	13,667	13,667	1	0	177,500	22,100	18,722
NONSEQUENT								195,000	97,500	97,500
TOTAL DESC	2	6	151,250	18,906	15,125	4	27	525,950	19,400	15,111

C173B - SEVERITY BY SEGMENT - BY CLAIMANTS

OFFICE LOCATION: 2516 -- FORT WASHINGTON CASU --

UNIT: B

RUN DATE: 05/15/95 PAGE: 221
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 08 -- VALLEY Forge

UNREPRESENTED	CURRENT MONTH					YTD				
	CWP	CWA	PAID LOSS	PAID SEV	CLOSED COST	CWP	CWA	PAID LOSS	PAID SEV	CLOSED COST
SUBJ	0	0	3,527	3,527	503	12	17	239,916	16,113	8,273
OBJ	1	0	0	0	0	2	5	73,750	34,750	24,021
REPRESENTED										
NO SUIT										
WST/THRESHOLD										
SUBJ	2	0	0	0	0	0	0	0	0	0
OBJ	2	15	95,351	6,357	5,609	15	34	279,209	4,744	4,679
IN SUIT										
WST/THRESHOLD										
SUBJ	0	0	0	0	0	0	0	0	0	0
OBJ	0	5	48,000	32,000	32,000	0	12	362,000	31,033	31,033
NONSEQUENT										
SUBJ	0	0	0	0	0	0	0	0	0	0
OBJ	0	4	43,500	19,075	19,075	0	15	203,302	13,530	12,700
TOTAL UNIT	20	20	117,878	18,970	9,239	115	33	534,042	16,207	3,074
THIS UNIT:	DESCS: 1	15				145	122	2,152,597	17,644	8,962

C173B - SEVERITY BY SEGMENT - BY CLAIMANTS

OFFICE LOCATION: 2516 -- FORT WASHINGTON CASU --

RUN DATE: 05/15/95 PAGE: 334
 REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 08 -- VALLEY Forge

UNREPRESENTED	CURRENT MONTH					YTD				
	CWP	CWA	PAID LOSS	PAID SEV	CLOSED COST	CWP	CWA	PAID LOSS	PAID SEV	CLOSED COST
SUBJ	0	21	116,000	3,000	1,600	144	146	857,096	5,074	2,930
OBJ	1	1	43,250	40,000	24,250	7	19	310,250	27,100	15,000
REPRESENTED										
NO SUIT										
WST/THRESHOLD										
SUBJ	2	0	33,500	8,375	6,700	4	5	48,500	9,700	4,400
OBJ	14	65	281,271	4,295	4,002	57	125	707,479	4,299	4,327
IN SUIT										
WST/THRESHOLD										
SUBJ	0	17	354,000	28,074	28,074	6	54	1,442,052	26,716	24,000
NONSEQUENT										
SUBJ	0	0	23,975	5,901	5,901	0	0	34,975	5,071	5,071
OBJ	0	27	240,500	11,300	8,207	29	0	852,772	9,916	7,015
TOTAL MCO	164	104	112,074	31,075	604	915	129	1,317,074	11,234	1,312
THIS MCO:	DESCS: 1	140				1160	599	7,309,296	12,212	4,137

List Exhibit - C173 - Regional Summary

C173U - SEVERITY BY SEGMENT - UNPAID CLAIMANTS REGION SUMMARY BY RCD1 RUN DATE: 05/15/95 PAGE 7
 OFFICE LOCATION: 1781 CHAGGS FORD REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 VALLEY FORGE

	CURRENT MONTH			YTD						
	OWP	OWA	PAID LOSS	PAID SEV	CLOSED COST	OWP	OWA	PAID LOSS	PAID SEV	CLOSED COST
UNREPRESENTED										
SUBJ	1	0	0	0	0	13	1	5,000	5,000	930
OBJ	0	0	0	0	0	1	1	5,000	15,000	7,500
REPRESENTED										
NO SUIT										
HIST/THRESHOLD	0	0	0	0	0	5	1	5,000	5,000	5,000
SUBJ	2	0	0	0	0	0	0	10,000	4,750	1,500
OBJ	0	1	15,000	15,000	15,000	1	2	20,000	13,500	9,000
IN SUIT										
HIST/THRESHOLD	0	0	0	0	0	0	3	100,000	37,000	37,000
SUBJ	0	0	0	0	0	2	0	0	0	0
OBJ	0	2	235,000	117,500	117,500	1	5	311,500	62,300	51,917
NONREPRESENTED	7	0	0	0	0	21	25	537,250	21,450	11,437
TOTAL RCD	10	3	250,000	117,500	117,500	47	44	1,048,750	23,650	11,437

C173U - SEVERITY BY SEGMENT - UNPAID CLAIMANTS REGION SUMMARY BY RCD1 RUN DATE: 05/15/95 PAGE 8
 OFFICE LOCATION: 2596 FORT WASHINGTON GAS. REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 VALLEY FORGE

	CURRENT MONTH			YTD						
	OWP	OWA	PAID LOSS	PAID SEV	CLOSED COST	OWP	OWA	PAID LOSS	PAID SEV	CLOSED COST
UNREPRESENTED										
SUBJ	6	1	500	500	100	18	17	410,000	11,370	8,950
OBJ	0	0	0	0	0	4	3	340,500	20,577	22,410
REPRESENTED										
NO SUIT										
HIST/THRESHOLD	0	0	0	0	0	0	0	0	0	0
SUBJ	10	37	344,223	1,037	7,643	28	82	733,122	8,939	8,000
OBJ	2	20	1,000,500	50,425	49,427	5	36	1,312,500	42,842	33,915
IN SUIT										
HIST/THRESHOLD	0	0	0	0	0	0	0	0	0	0
SUBJ	0	3	20,000	1,000	11,000	0	2	222,000	18,575	18,575
OBJ	0	0	533,500	49,425	44,600	0	20	1,090,500	54,925	50,925
NONREPRESENTED	10	0	0	0	0	103	32	785,611	22,950	5,227
TOTAL RCD	29	41	2,021,223	70,279	20,115	150	232	4,019,832	21,640	13,000

C173U - SEVERITY BY SEGMENT - UNPAID CLAIMANTS REGION SUMMARY BY RCD1 RUN DATE: 05/15/95 PAGE 14
 OFFICE LOCATION: VALLEY FORGE REPORT PERIOD: 04/01/95 - TO - 04/30/95
 REGION: 00 VALLEY FORGE

	CURRENT MONTH			YTD						
	OWP	OWA	PAID LOSS	PAID SEV	CLOSED COST	OWP	OWA	PAID LOSS	PAID SEV	CLOSED COST
UNREPRESENTED										
SUBJ	15	4	10,000	0,000	1,000	21	52	520,000	10,000	6,400
OBJ	2	3	210,000	70,000	43,000	0	23	1,050,000	45,000	54,400
REPRESENTED										
NO SUIT										
HIST/THRESHOLD	0	0	0	0	0	0	1	5,000	5,000	5,000
SUBJ	14	37	422,223	10,024	7,944	42	93	824,522	8,607	6,122
OBJ	0	27	1,183,500	52,340	40,078	10	31	1,625,500	41,679	33,173
IN SUIT										
HIST/THRESHOLD	0	0	0	0	0	0	3	100,000	37,000	37,000
SUBJ	0	3	35,000	10,000	11,000	2	12	232,000	18,575	15,921
OBJ	0	10	740,500	70,000	70,000	1	25	1,333,500	53,200	51,154
NONREPRESENTED	24	51	1,621,043	20,000	11,307	391	322	8,442,711	27,950	12,103
TOTAL REGION	111	101	2,995,074	31,607	16,509	403	558	14,143,333	25,715	13,492
THIS REGION:						103	10			

Detailed Description

Heading	
Item	Description
Title	C173B - Severity by Segment - BI Claimants C173U - Severity by Segment - UM Claimants
Run Date	Date of report creation
Page	Page Number
Report Period	Month Report generated for
Office Location	Location Code and Name of Office
Unit	Unit of Desk Location (Desk and Unit summary only)
Region	Region Code and Name
Current Month	
CWP	Item/Claimants closed during the reporting month that have a zero paid loss amount.
CWA	Item/Claimants closed during the reporting month that have a paid loss amount greater than zero.
Paid Loss	Total Paid Loss of all CWA's.
Paid Severity	Total Paid Loss amount divided by # of CWA.
Closed Cost	Total Paid Loss amount divided by (# of CWA + # of CWP).
YTD	
CWP	Item/Claimants closed during the Year (or after Region Implementation date) that have a zero paid loss amount.
CWA	Item/Claimants closed during the Year (or after Region Implementation date) that have a paid loss amount greater than zero.
Paid Loss	Total Paid Loss of all CWA's.
Paid Severity	Total Paid Loss amount divided by # of CWA.
Closed Cost	Total Paid Loss amount divided by (# of CWA + # of CWP).

Detail Entries	
Item	Description
Desk	MCO desk location that closed the item/claimant coverage.
Unrepresented	
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - No Notice of Attorney Representation date - Subjective injury type
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - No Notice of Attorney Representation date - Objective injury type
Represented	
No Suit	
MIST/Threshold	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - MIST Indicator entered as 'Y' - Injury type was entered
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - Subjective Injury type - MIST indicator entered as 'N' (or not entered)

Detail Entries	
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - Objective Injury type - MIST indicator entered as 'N' (or not entered)
In Suit	
MIST/Threshold	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - MIST Indicator entered as 'Y' - Injury type was entered
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - Subjective Injury type - MIST indicator entered as 'N' (or not entered)
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - Objective Injury type - MIST indicator entered as 'N' (or not entered)
Nonsegmented	Item/Claimants that do have an Injury Type code entered.

Detail Entries	
Total	Total of all of the Unrepresented and Represented claimants detailed above for: <ul style="list-style-type: none">- CWP- CWA- Paid Loss- Paid Severity- Closed Cost

Subject: C174 - Pending by Segment Report

General Description

The C174 - Pending by Segment Report reflects the item/claimants currently pending by segment. Pending is item/claimant not having a closed date or having a reopen date greater than the closed date. This report segments the item/claimants into the following categories

Unrepresented

- Subjective
- Objective

Represented

No Suit

- MIST/Threshold
- Subjective
- Objective

In Suit

- MIST/Threshold
- Subjective
- Objective

Without Consultant

This is a summary level report broken by Desk, Unit, MCO and Region.

Frequency and Distribution

This report will be run once a month (first weekend of the month), and will reflect the prior month's activities. There will be separate reports for BI (AA coverage) and UM/UTM (SA, SC, SE, SN, SS, ST, SU coverages).

It should be distributed to the CCM, UCM and the Claim Rep.

These reports will be on SAR Express. They are broken between BI coverages and UM/UTM BI coverages and between MCO and Region. The List #s are:

C174B	Pending by Segment - BI - Individual MCOs
C174B-REG	Pending by Segment - BI - Regional Summaries
C174U	Pending by Segment - UM - Individual MCOs
C174U-REG	Pending by Segment - UM - Regional Summaries

To view these reports, type the report name in the SYSOUT ID field in SAR and hit enter. Type an 'S' next to the report you want to look at, C174B for a list of the Individual MCO

reports or C174B-REG for a list of the Region Summaries. On the next screen, type a '1' in the OPTION field for '1 VIEW BY MCO/REGION'. This will display a list of the MCO or Region numbers and names. Type an 'S' next to the office or region you wish to view.

List Exhibit - C174 - Regional Summary

C174B - PENDING BY SEGMENT - BI CLAIMANTS REGION: M VALLEY FORGE REGION SUMMARY BY HCDI RUN DATE: 05/15/95 PAGE: 1
 REPORT PERIOD: 04/01/95 - TO - 04/30/95

HCDI	UNREPRESENTED		REPRESENTED						NEW SEGMENTED	TOTAL
	SUBJECTIVE	OBJECTIVE	NO SUIT THRESHOLD	SUBJ	OBJ	NO SUIT THRESHOLD	SUBJ	OBJ		
1348	0	0	0	0	0	0	0	0	0	0
1358	0	0	0	0	0	0	0	0	0	0
1704	121	13	18	194	34	4	43	11	1445	1665
2421	0	0	0	0	0	0	0	0	0	0
2590	341	48	13	64	74	0	91	25	5227	6545
4470	0	0	0	0	0	0	0	0	0	0
4754	0	0	0	0	0	0	0	0	0	0
6010	0	0	0	0	0	0	0	0	1951	1951
6449	33	5		54	10	0	11	2	1551	1647
6451	0	0	0	0	0	0	0	0	1122	1122
6940	0	0	0	0	0	0	0	0	447	447
7501	0	0	0	49	0	0	0	0	621	643

C174B - PENDING BY SEGMENT - BI CLAIMANTS REGION: M VALLEY FORGE REGION SUMMARY BY HCDI RUN DATE: 05/15/95 PAGE: 2
 REPORT PERIOD: 04/01/95 - TO - 04/30/95

HCDI	UNREPRESENTED		REPRESENTED						NEW SEGMENTED	TOTAL
	SUBJECTIVE	OBJECTIVE	NO SUIT THRESHOLD	SUBJ	OBJ	NO SUIT THRESHOLD	SUBJ	OBJ		
541	0	0	0	0	0	0	0	0	0	0
87			36	750	22	7	146	50	14576	16091

TOTALS REGION M HCDI: 2

Detailed Description

Heading	
Item	Description
Title	C174B - Pending by Segment - BI Claimants C174U - Pending by Segment - UM Claimants
Run Date	Date of report creation
Page	Page Number
Report Period	Month Report generated for
Office Location	Location Code and Name of Office
Unit	Unit of Desk Location (Desk and Unit summary only)
Region	Region Code and Name

Detail Entries	
Item	Description
Desk	MCO desk location that closed the item/claimant coverage.
Unrepresented	
Subjective	Item/Claimants that are pending and meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - No Notice of Attorney Representation date - Subjective injury type
Objective	Item/Claimants that are pending and meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - No Notice of Attorney Representation date - Objective injury type

Detail Entries	
Represented	
No Suit	
MIST/Threshold	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - MIST Indicator entered as 'Y' - Injury type was entered
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - Subjective Injury type - MIST indicator entered as 'N' (or not entered)
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - No Suit Filed date - Objective Injury type - MIST indicator entered as 'N' (or not entered)
In Suit	
MIST/Threshold	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - MIST Indicator entered as 'Y' - Injury type was entered
Subjective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - Subjective Injury type - MIST indicator entered as 'N' (or not entered)

Detail Entries	
Objective	Item/Claimants that meet all of the following conditions will be included in this category: <ul style="list-style-type: none"> - Notice of Attorney Representation date was entered - Suit Filed date was entered - Objective Injury type - MIST indicator entered as 'N' (or not entered)
Nonsegmented	Item/Claimants that do have an Injury Type code entered.
Total	Total of all of the Unrepresented and Represented claimants detailed above.

INSTRUCTIONS TO ACCESS UNREPRESENTED CLAIMANT
OASYS CONTACT LETTERS

The letters are contained in a special CCPR hidden menu within the OASYS system. This menu will provide both letters and views.

To access the menu:

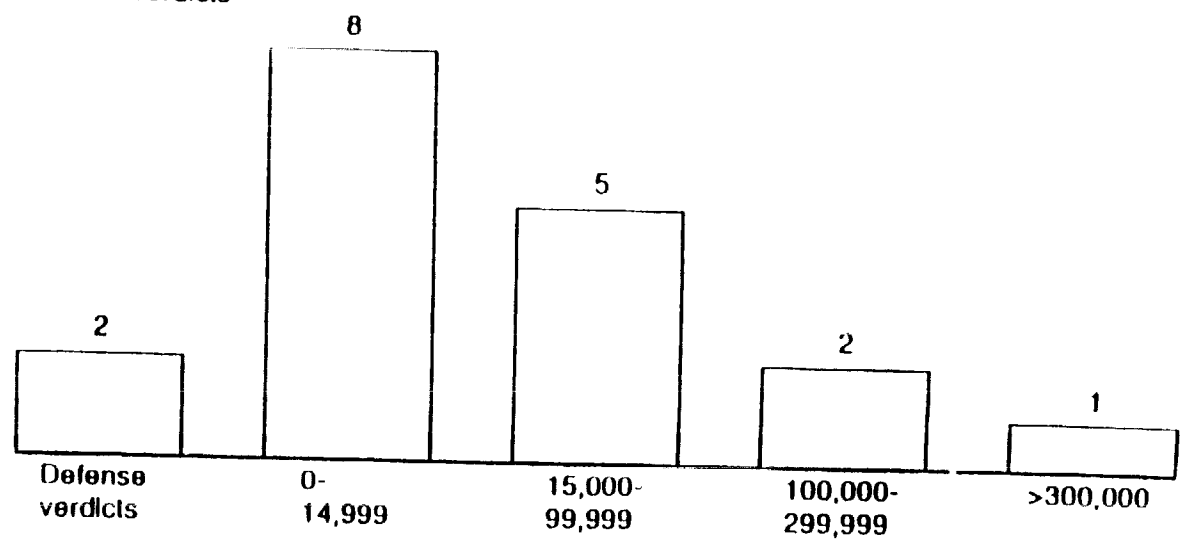
- * Enter the OASYS system
- * At the command line at the bottom of the screen (= =>), type MPCCCPR.

The office hours are defaulted to 8:00 a.m. to 4:30 p.m., but can be typed over for customization. Also, the system will allow for up to two copies.

STATE SPECIFIC TRIAL RESULTS

PHOENIX REGION - TRIAL RESULTS

Sprains, strains, other soft tissue
100% = 18 verdicts

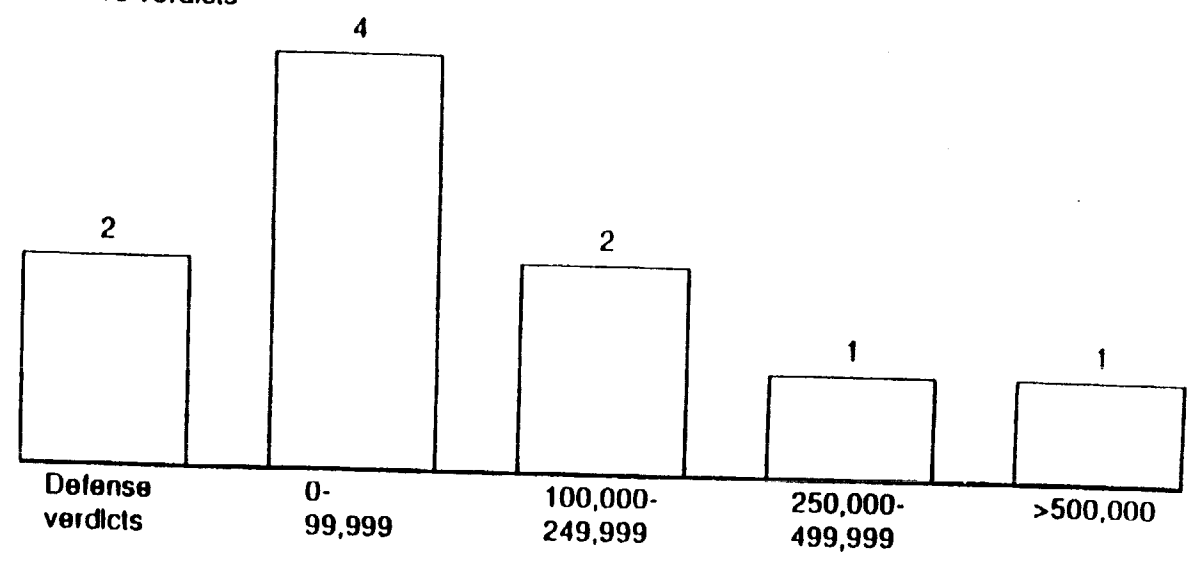


Defense verdicts	Verdicts	
11%	50% (median)	\$16,000
	75	80,000
	90	275,000

Source: Jury Verdict Research, 1990-03 verdicts

PHOENIX REGION - TRIAL RESULTS

Fractures
100% = 10 verdicts

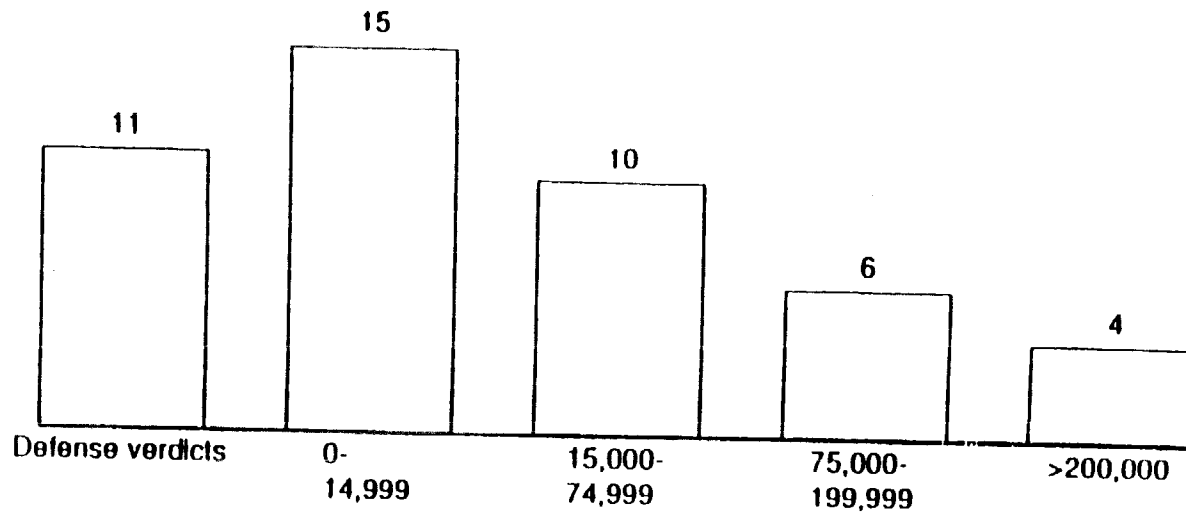


Defense verdicts	Verdicts	
20%	50% (median)	\$80,000
	75	145,000
	90	2,400,000

Source: Jury Verdict Research, 1990-93 verdicts

JACKSON REGION – TRIAL RESULTS

Sprains, strains, other soft tissue
 100% = 46 verdicts

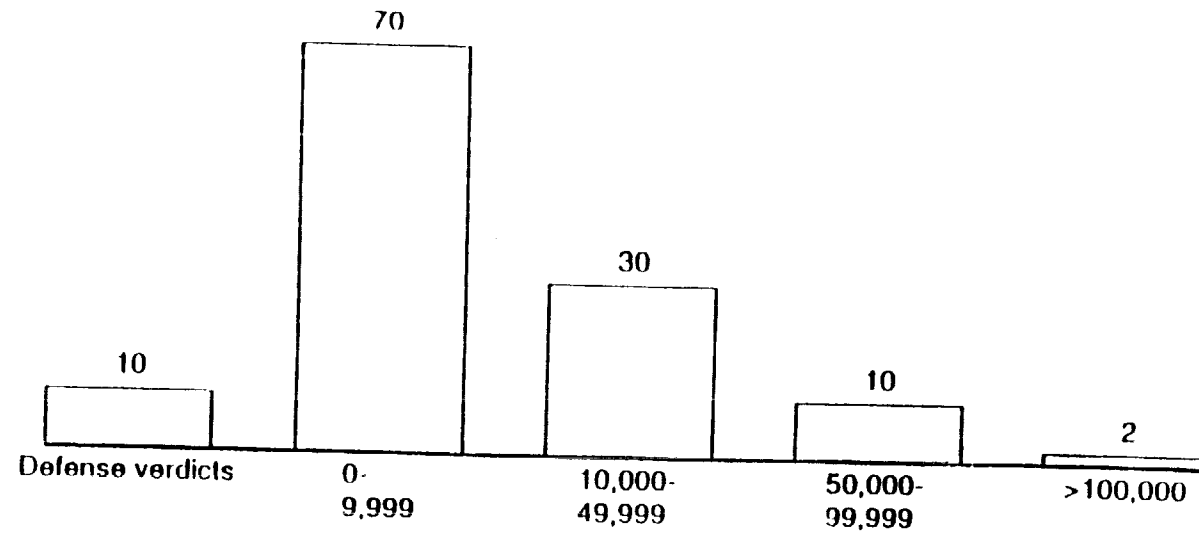


Defense verdicts	Verdicts	
24%	50% (median)	\$10,000
	75	65,000
	90	105,100

Source: Jury Verdict Research, 1990-93 verdicts

CHARLOTTE REGION – TRIAL RESULTS

Sprains, strains, other soft tissue
100% = 122 verdicts

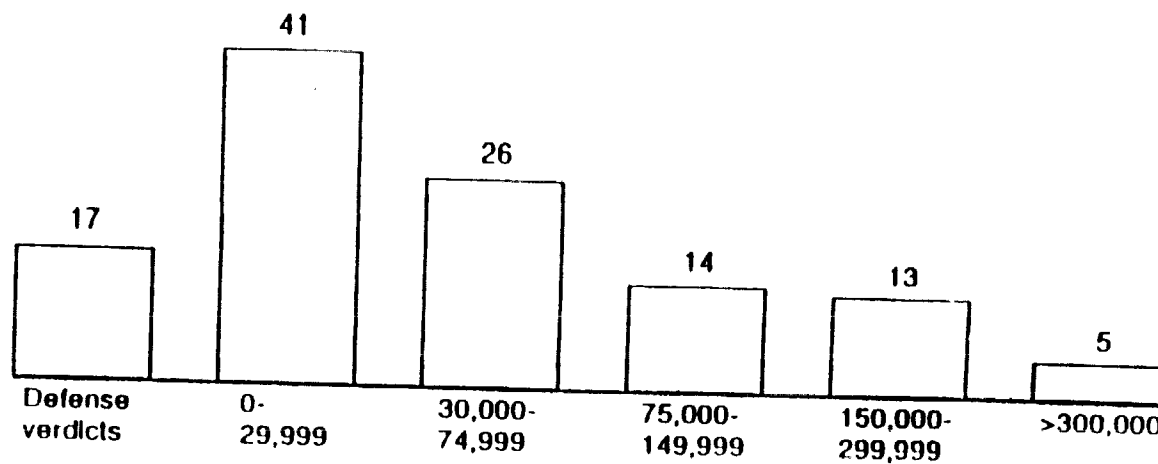


Defense verdicts	Verdicts	
8%	50% (median)	\$6,000
	75	15,000
	90	50,000

Source: Jury Verdict Research, 1990-93 verdicts

OHIO REGION - TRIAL RESULTS

Fractures
 100% = 116 verdicts

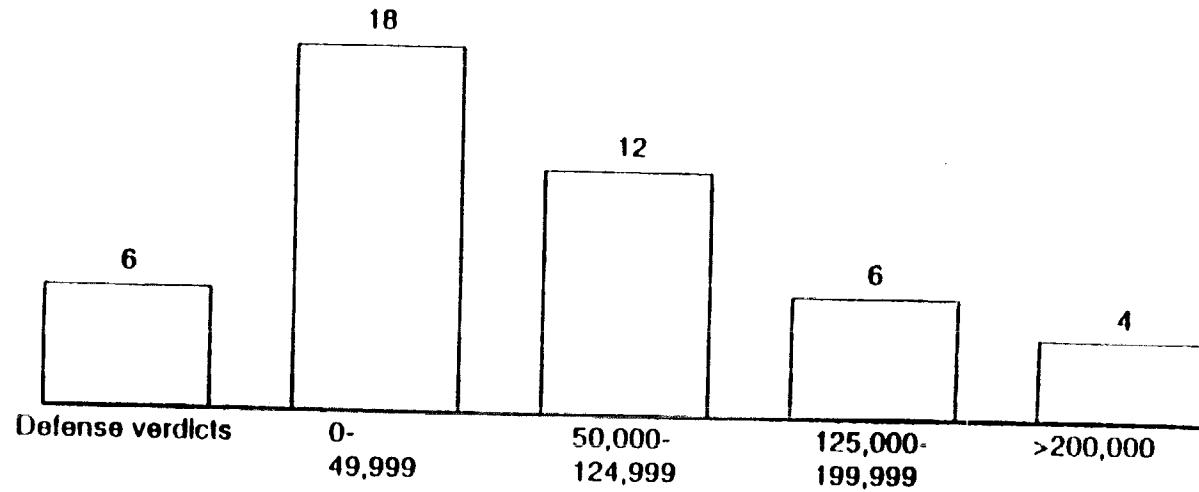


Defense verdicts	Verdicts	
15%	50% (median)	\$30,000
	75	87,500
	90	176,500

Source: Jury Verdict Research, 1990-93 verdicts

CHARLOTTE REGION – TRIAL RESULTS

Fractures
100% = 46 verdicts

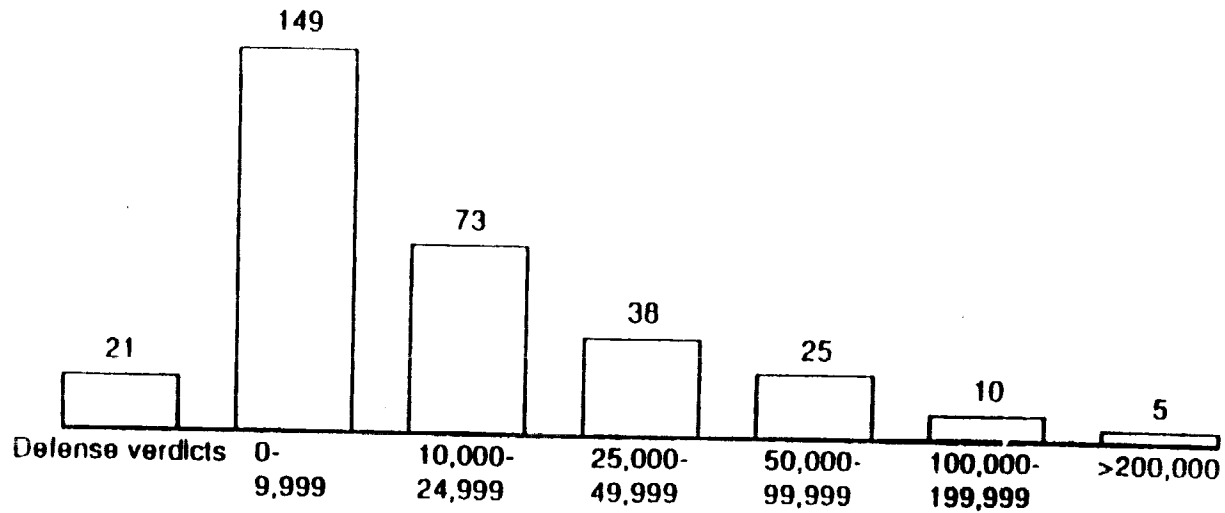


Defense verdicts	Verdicts	
13%	50% (median)	\$48,700
	75	106,000
	90	192,500

Source: Jury Verdict Research, 1990-93 verdicts

OHIO REGION - TRIAL RESULTS

Sprains, strains, other soft tissue
 100% = 321 verdicts



Defense verdicts	Verdicts	
7%	50% (median)	\$8,500
	75	24,000
	90	55,000

Source: Jury Verdict Research, 1990-93 verdicts