

EXHIBIT "B"

REQUIRED MINIMUM STANDARDS FOR CLAIMS HANDLING

The following minimum standards shall apply to all claims handling services provided under this Agreement:

- A. **Prompt Contact:** Injured employees and the treating physicians will be contacted personally or by telephone within one (1) business day of receipt of notification of a lost-time injury. Notification will be made either by receipt of a North Carolina Industrial Commission Employer's Report of Injury Form 19, email, or by telephone with a follow-up Form 19.
- B. **Investigation:** Investigation will commence upon receipt of the Form 19 or sooner if notice of the accident has been given. Investigation of all lost-time accidents will be conducted immediately upon receipt notification. The initial investigations will be concluded within fourteen (14) days from receipt of the claim.
- C. **Prompt Payment:** Within 14 days after written notice of injury, one (1) of the following must be accomplished:
- i Pay benefits pursuant to North Carolina Workers' Compensation Rules, or
 - ii File a statement fully explaining why compensation was denied. All denials must be approved by Wake County Attorney's Office prior to filing.
- D. **Medical Management:** All contacts and summaries of the discussions shall be documented in the files. As allowed by the North Carolina Industrial Commission Rules and North Carolina General Statutes, the Consultant will obtain from the physician the following:
- Update on the injured employee's diagnosis and prognosis;
 - Work status;
 - Estimated length of disability;
 - Ability of the injured employee to return to work in a modified capacity;
 - Current physical or mental limitations;
 - Proposed treatment plan;
 - Maximum medical improvement projection;
 - Whether the employee will incur any permanent impairment as a result of their injury.
- E. **Nurse Case Management/Vocational Rehabilitation:** Prior to assigning a Nurse Case Manager or Vocational Rehabilitation Specialist to any of Wake County claims, the Consultant will first call and solicit permission from the Wake County Attorney's Office to assign a case manager. Wake County Attorney's Office has sole authority to approve selection and assignment of case managers.
- F. **Subrogation:** The potential for subrogation must be recognized in all cases where the potential liability of a third party becomes reasonably clear. Prior to pursuing any subrogation, the Consultant will first discuss the case with Wake County and solicit their

approval to pursue the negligent third party. The evidence of identification and pursuit of subrogation must be clearly documented in the file. Wake County's subrogation interest will be protected at all times, unless Wake County instructs Consultant otherwise.

When an attorney represents an injured employee and the attorney is seeking restitution from a third party, every attempt will be made to get that attorney to cooperate in the protection of time limits to bring actions which could affect Wake County's interest. Any case involving subrogation, wherein an employee, his attorney or any party seeks to reduce Wake County recovery on its workers' compensation lien by any amount through negotiations, must first be referred to Wake County Attorney's Office for approval. This relates to any partial recovery as well. Releases involving recovery require signature and approval from the Wake County Attorney's Office before submission to the Industrial Commission for approval.

- G. **Reserving:** All files must be reserved to reflect exposure based upon the injury and disability throughout the life of the claim without reduction for present value. Reserves will be set within seven (7) days of receipt of a lost-time notification and will be adjusted when medical information or investigation indicate the existing reserve is inadequate or excessive. The following criteria must be used when establishing a reserve: The investigation, the injury, the projected medical and indemnity benefits to be paid, and the cost of outside vendors (i.e. attorney, rehab services, surveillance).
- H. **Claim Reviews:** Wake County will have the right to conduct quarterly claim reviews of Wake County files with 30 days' notice to Consultant.
- I. **Duplication of Files:** Consultant will not duplicate or release any portion of any Wake County claim file to any outside party without the express written consent of Wake County.
- J. **Claims Costs and Expenses:** Before incurring any costs or expenses relating to the handling or investigation of a claim, the Consultant must first get approval from the County Attorney's office. This includes but is not limited to Independent Medical Exams, other expert reviews or opinions, surveillance, transcripts or any other expense not reasonably anticipated in the routine investigation and management of a claim.
- K. **Settlement Authority.** Before finalizing any settlement or lien waiver, obtain approval of Wake County Attorney's Office, **Wake County Attorney's Office approves all settlements and lien waivers.**