



For additional information on our practice,



**R. Stephen Coonrod,
Esquire**

1709 Hermitage Boulevard, Suite
200

Tallahassee, FL32308

Phone: 850-222-8121

Fax: 850-222-4359

scoonrod@mcconnaughay.com

INSURER REGULATORY COMPLIANCE

Regulatory Compliance

Pursuant to s. 440.525, Florida Statutes, the Division of Workers' Compensation (DWC) is responsible for ensuring all carriers, self-insured employers, and self-insurance funds providing Workers' Compensation coverage in Florida are complying with the statutory and regulatory claims-handling performance standards. The DWC performs this duty by annually conducting 50-60 claim audits of insurer entities and monitoring the electronic filing of medical bills, indemnity payments, and First Reports of Injuries through its Centralized Performance System (CPS). The claim audits are generally performed in a week and are now primarily performed virtually. However, some audits still may be performed at the physical location of the claims-handling entity.

The following penalties can be assessed against insurer entities who fail to meet the claims-handling performance standards.

Penalties Assessed on Audit

Category

Penalty Amount

Untimely Indemnity Payments

\$50 for each payment to or greater than a 90% performance standard and \$100 for each payment below the 90% performance standard.

For each FROI:

1-7 calendar days late =

Untimely filing of First Reports of Injury (FROI) – DFS-F2-DWC-1

8-14 calendar days late =

15-21 calendar days late =

22-28 calendar days late =

Over 28 calendar days =

Untimely filing Notices of Action/Change – DFS-F2-DWC-4

For falling below the 90% compliance standard: \$500 penalty for a non-willful pattern and practice violation, not to exceed an aggregate of \$500 for all pattern and practice violations arising from the action.

Untimely filing Notices of Denial –
DFS-F2-DWC-12

For falling below the 90% compliance standard: \$10,000 penalty for a non-willful and practice violation, may exceed an aggregate of \$100,000 for all pattern and practice violations arising from this action.

Untimely filing of Claim Cost
Reports – DFS-F2-DWC-13

For falling below the 90% compliance standard: \$10,000 penalty for a non-willful and practice violation, may exceed an aggregate of \$100,000 for all pattern and practice violations arising from this action.

Untimely letter sent to employee
about services of the Employee
Assistance and Ombudsman Office

For falling below the 90% compliance standard: \$10,000 penalty for a non-willful and practice violation, may exceed an aggregate of \$100,000 for all pattern and practice violations arising from this action.

Untimely informational brochure
sent to the employee

For falling below the 90%
compliance standard: \$
penalty for a non-willful
and practice violation, not
exceed an aggregate of \$
for all pattern and practice
violations arising from the
action.

In addition to the penalties associated with untimely
indemnity payments, penalties and interests are
payable to the injured employee for untimely
indemnity payments, pursuant to s. 440.20(6)(8).

Pursuant to s. 440.525 and Rule 69L-24.007, the
DWC may assess a penalty for a willful violation for a
pattern or practice if the regulated entity that
committed the pattern or practice:

(a) Did so intentionally and with knowledge of the
act's unlawfulness or with disregard to the
unlawfulness of the act; or

(b) Failed to comply with an order of the Department
and the insurer has exhausted all appellate rights.

The penalties assessed shall be \$20,000 for a single
willful violation and not exceed an aggregate of
\$100,000 for all pattern or practice violations arising
out of the same action.

Penalties Assessed Through CPS

Category

Penalty Amount

Untimely Initial Indemnity Payment

\$50 for each payment that is below the minimum 95% performance standard and to or greater than a 90% performance and \$100 for each payment below the 90% performance standard.

For each FROI:

Untimely filing of First Reports of Injury (FROI) – DFS-F2-DWC-1

1-7 calendar days late = \$

8-14 calendar days late =

15-21 calendar days late

22-28 calendar days late

Over 28 calendar days late

Untimely payment, disallowance, or denial of medical bills (physician, hospital, Ambulatory Surgical Center, pharmacy, dental)

\$25 for each bill below the percent timely performance standard, but meeting a 9 percent timely performance standard. \$50 for each bill below a 90 percent timely performance standard.

For each untimely filed medical bill which falls below the standard:

Untimely filing of medical bills
(physician, hospital, Ambulatory
Surgical Center, pharmacy, dental)

1-30 calendar days late =
31-60 calendar days late
61-90 calendar days late
91 or greater calendar days late =
\$50

Rejected medical bills not
resubmitted

If the medical bill remains
and the insurer does not
resubmit the bill within 90
calendar days of the original
rejected date, an administrative
fine shall be assessed against the
insurer in the amount of \$500
for each such medical bill.