

SIRA Insurer claims management audit manual

Self-Insurer's Association

24 July 2020



State Insurance
Regulatory Authority

Revision of the SIRA Insurer claims management audit manual

Introduction

The purpose of this session is to:

- discuss what has changed in the new edition of the Insurer claims management audit manual
- provide an opportunity for self-insurers to ask questions about the audit guide and using the audit tool



Consultation

SIRA consulted with self and specialised insurers, the NI, independent auditors and other stakeholders

Feedback received:

- ✓ *“Update the Self Audit Tool to reflect current requirements ...”*
- ✓ *“ Consider referencing the specific standard of practice element number ...”*
- ✓ *“Amend work capacity element to include new WCC process”*
- ✓ *“ More clarity around what constitutes a ‘conformance’ and ‘non-conformance’”*
- ✓ *“ increasing the data quality components within the audit tool to validate the correct reporting of data fields ...”*
- ✓ *“ Closer alignment of the audit tool to the insurers Injury Management program ...”*
- ✓ *“ Give consideration to the audit period and sample sizes for self-insurers”*

Summary of key changes

Audit Criteria

Elements reduced from 14 to 10-13. Criteria reduced from 87 to 57

1. Injury management and recovery at work - assessment
2. Injury management and recovery at work - planning
3. Injury management and recovery at work - implementation
4. Injury management and recovery at work - finalisation
5. Liability determination
6. Work capacity
7. PIAWE
8. Claims estimates
9. Managing medical & other service providers
10. Data management
11. Permanent impairment
12. Commutations
13. Work injury damages



Audit Period

Reduced from 18 to 12 months

- **Why?**

Avoids auditing claims management activities that were remediated as part of a previous audit improvement plan



Audit Guide

New addition

- Guide and support the auditor through the audit process
- Assist the auditor in determining what 'conformance/non-conformance' looks like
- Aligns to:
 - ✓ Legislation
 - ✓ Workers compensation guidelines
 - ✓ Standards of practice
 - ✓ Other guidance material



Audit Sample

Selected by SIRA

- Why?

- ✓ Aligns to ISO standards
- ✓ Good auditing practice

- How?

- ✓ Contact your portfolio supervision manager at least four weeks before your scheduled audit to request an audit sample
- ✓ SIRA draws the audit sample using random sampling techniques, where possible
- ✓ SIRA provides the audit sample two weeks prior to the audit

What hasn't changed

Sample size

Audit Tool

Follows same format as before

Audit is scored by entering the results into the tool

Calculates and interprets the results of the audit

Audit report & improvement plan template

Audit outcomes & levels

Level	Audit component	Audit result
Low Risk	Compliance	≥95%
	Case Mgt Practice	≥80%
	Data Quality	≥90%
Medium Risk	Compliance	90-94%
	Case Mgt Practice	60-79%
	Data Quality	80-89%
High Risk	Compliance	<90%
	Case Mgt Practice	<60%
	Data Quality	<80%