

Periodically a Builders Trust Participant will ask why they have to report an accident when they could just pay the claim themselves. Below you will find information that answers this question.

The NM Workers Compensation statutes give the NM Workers' Compensation Administration (WCA) Director authority to promulgate Rules and Regulations governing workers' compensation in New Mexico. Violations of some rules carry a penalty of \$1,000 per day.

Paying a claim instead of reporting the claim to Builders Trust may violate the statutes, rules and regulations in several ways, including:

- Rule 11.4.3.9 LATE PAYMENT OF CLAIMS: C. Any allegation of late payment of a claim, or a pattern of late payment of claims, may be investigated and penalized by the WCA pursuant to the procedures in Part Five (5) of these rules.
- Rule 11.4.3.12 CONDUCT OF PARTIES: (4) The employer shall report every accident to their insurer or, in the case of a self-insured employer or member of a self insurance group, their claims administrator, whether or not the employer considers the claim to be valid, within 72 hours of the earlier of: actual knowledge of the accident by the employer; or presentation of a notice of accident form to the employer.
- Rule 11.4.3.12 CONDUCT OF PARTIES: (5) An insured employer is prohibited from making any payment of statutory workers' compensation benefits directly to a worker, the dependents of a worker, or to a service provider on behalf of a worker, except when the employer is a self-insurer, or member of a group self insurance program, certified by the director. Payments of statutory benefits by a certified self-insurer or a member of a certified group self-insurance program must be made by the authorized claims administrator for the self-insurance program. This prohibition does not preclude any employer from paying a worker his or her full wage or salary pursuant to a wage continuation program, or from paying wages or salary to a worker for limited or light duty employment.
- Unfair Claims Practices may include payment of medical bills without processing them in accordance with the MAP (Maximum Allowable Payment) guidelines and without paying them in the time allowed under the rules. Further, obtaining a Release from an injured worker could also be construed as an Unfair Claims Practice.
- An employer who adjusts their own claims could certainly jeopardize coverage and payments when the claim is reported late to the carrier.
- It is unlawful for anyone to settle claims unless licensed by the New Mexico Department of Insurance.
- Only the Director of the WCA can certify a business to adjust and settle their employee's workers' compensation claims.
- The effect of not reporting claims to the carrier could be tantamount to premium fraud. In New Mexico, workers' compensation premium fraud could be considered a 4th degree felony.

Here are a few more good reasons to report all claims to Builders Trust.

- As licensed claim professionals with annual training and years of experience, your Builders Trust claims staff may recognize issues that validate, or invalidate a claim
- Our Claims staff reviews all medical bills and we consistently reduce payments well below the billed amount via utilization review, professional review, health care provider agreements, PPO agreements and the MAP state fee schedule. Bill reductions can exceed 50% of the amount billed.
- The Builders Trust CPO (Claims Payment Option) program allows you to pay, or buy back, a claim under \$10,000 if it closes within a certain time period. The smaller claims that employers try to handle themselves are usually the ones that qualify for the CPO program, which is one more reason to report all claims.

Remember, reporting all accidents and allowing your Builders Trust Claims staff to manage the claims according to the New Mexico Workers Compensation Act, rules and regulations just makes good business sense and more importantly, it's the law.