

Auto Insurance Communication and Settlement

The North Carolina Department of Insurance has clarified existing insurance statutes and indicates auto insurers are not held to the same standards as health insurers when it comes to settlement negotiations and communications with providers. They are required to follow the letter of the Lien Law, but generally any other type of communication with the treating provider is not mandated.

Under Property and Casualty insurance or Auto insurance, the insurance company is required to communicate with the injured party or the claimant only regarding settlement negotiation. While many auto insurers do communicate and explain settlement decisions with the treating provider, there are some who do not.

If you are unclear about the portion of the settlement that has been allocated for your services, you have some options to obtain more specific information if the insurer refuses to speak with you.

OPTIONS

1. **Contact the Patient:** The insurer will provide the claimant (patient) with an explanation on how they arrived at a settlement offer, if asked. Ask the patient to obtain the settlement explanation and a copy of any paper review or Independent Medical Exam (IME) that was performed. The patient is not obligated to provide these documents to you, however as confidential information may be included the patient wants protected. For example, a recent low claim settlement offer was the result of the patient overtly falsifying their wage earnings to the insurer.
2. **Recommend the Patient Contact the Insurance Company Directly:** If the patient is not satisfied with the settlement offer they can continue negotiation with the insurer to obtain new terms. Providing new information that may not have been available during the claim investigation is a key factor. Often additional medical documentation including complicating factors, co-morbidities, limitations, disability, loss of work or consortium (companionship) and protracted pain can be the source for new consideration.
3. **Advise the Patient About the North Carolina Department of Insurance (DOI):** It is always better if the patient and insurer can work out an agreeable negotiation between themselves. However, when the patient is not satisfied with the settlement offer and has unanswered questions about the settlement, including payment consideration on your billings, the Department of Insurance can assist. Their role would be to help determine if fair claim handling was employed by the insurer.

Important Note

The patient should write their own letter to the insurer or DOI, in their own words and ask about the data the insurer used to make a settlement determination. Below are the types of issues that can be raised. Each letter should be customized to the specifics of the individual case and accurately reflect the facts.

- How was the settlement determined?
- Why were medical bills for reasonable and necessary care not paid in full?
- What extenuating circumstances were considered regarding my injury, health status and rate of improvement and regression?
- What data or clinical source(s) was used in the settlement determination and when was it last updated?
- Is the data chiropractic specific?
- Did a doctor of chiropractic review my claim since this is the same peer group as my treating provider?
- If not, does the reviewer have specific chiropractic education, training and experience relative to chiropractic principles of care and expected clinical outcomes?
- Does the insurer and review organization have a doctor of chiropractic on staff that is in good standing and in private practice to assist with chiropractic claim policy?
- Does the insurer use liability settlement software programs to make recommendations that only deal with routine claims and that are often adjusted to make low settlement offers?
- Is actual incurred claim data used to determine settlement ranges or are lowered settlement offers incorporated into the data?
- What percentage of claims is reduced for chiropractic as compared to those of MDs and other healthcare providers?

Remember

1. Execute a proper lien with the insurer.
2. Refer adjusters to the patient to keep out of the middle of settlement negotiations.
3. If your full bill is not allowed in the claim settlement, the patient owes you the balance.
4. Bill the patient.