

INTERNATIONAL CLAIMS GUIDE

SUMMARY

The following information is a summary of the major elements of coverage provided by the various International Travel insurance policies and programs provided to the institutions of The University of Texas System.

ORM implemented a program to provide for medical and security evacuations for faculty, staff, and students traveling in foreign countries. The International SOS program has been used many times, most notably for the evacuation of travelers from Lebanon.

ORM conducted a survey of all of the Institutions related to their foreign travel. As a result, it was found that for Fiscal Year 2006, there were over 19,000 travelers going to approximately 150 different countries throughout the world. There are over 400 contracts with the federal government that involve work outside of the United States.

ORM has purchased other insurance products to assist in covering exposures for travelers and Institutions for workers' compensation and liability claims related to incidents abroad. Effective on August 1, 2006 the Defense Base Act Workers' Compensation went into effect with Chartis. This is a mandatory coverage, required to be carried by the US government for any US entity contracting with the US government on work taking place in foreign lands. It is an extension of the Longshore and Harbor Workers' Compensation Act.

On May 1, 2007 ORM placed an International Package Policy which includes foreign workers' compensation, foreign business auto, foreign general liability, and a local Mexico general liability and tourist policy. This package is also placed with Chartis.

For claims related to any of these policies, all loss will be adjusted by Chartis. However, claims are still to be called into the Institution's WCI representative and then the UT System WCI claims office in Austin. This document is meant to be a guide to provide assistance to you in the reporting and processing of claims.



DEFENSE BASE ACT/WORKERS' COMPENSATION

Key Definitions

OWCP - The Office of Workers' Compensation Programs is the division of the US Department of Labor, Employment Standards Administration that is responsible for the administration of the US Longshore & Harbor Workers' Act and the Defense Base Act. It is similar to the Workers' Compensation Board or Commission under a State workers' compensation system. It is divided into various District Offices each of which is headed by a District Director and staffed by Claims Examiners.

Wages - Section 2 (13) of the US Longshore & Harbor Workers' Act (as amended in 1984) defines "**wages**" as "... the money rate at which the service rendered by an employee is compensated by an employer under the contract of hiring in force at the time of the injury, including the reasonable value of any advantage which is received from the employer and included for purposes of any withholding of tax under subtitle C of the Internal Revenue Code of 1954 (relating to employment taxes). The term wages does not include fringe benefits, including (but not limited to) employer payments for or contributions to a retirement, pension, health and welfare, life insurance, training, social security or other employee or dependent benefit plan for the employee's or dependent's benefit or any other employee's dependent entitlement."

The interpretation of this definition is the subject of numerous cases at various stages of appeal. Since the case law is not all together in agreement and "benefits" provided to employees are far from consistent, this needs to be an area of informed flexibility for both claims handlers and underwriters.

As a guideline only, the following items **should be included** in determining wages both for compensation rate and premium calculation purposes:

- 1.) The EMPLOYEE'S contribution to:
 - Federal Income Contribution Act/Medicare (FICA)
 - Federal Unemployment Insurance (FUI)
 - State Unemployment Insurance (SUI)
 - Optional Group Medical Insurance (Employee's share) Disability Insurance paid by the employee
 - Dental Insurance paid by the employee
- 2.) Employee Bonus Plan
- 3.) Hardship or subsistence allowances



The following items **should not be included** in determining wages for compensation rate and premium calculation purposes:

- 1.) The EMPLOYEE'S contribution to:
 - Federal Income Contribution Act/Medicare (FICA)
 - Federal Unemployment Insurance (FUI)
 - State Unemployment Insurance (SUI)
 - Life Insurance at no cost to employee
 - Accidental Death & Dismemberment Insurance at no cost to employee
 - Optional Group Medical Insurance (Company's share)
- 2.) Continuing Professional Education

AWW - The **Average Weekly Wage** forms the basis for the calculation of an injured employee's **Compensation Rate** and is usually determined by averaging his or her wages over the past 52 weeks in the same or similar employment.

Compensation Rate - The **Compensation Rate** is 66 2/3% of the AWW subject to a maximum that changes each October 1st. Currently the maximum weekly compensation rate for accidents occurring from **10/1/2010** through **9/30/2011** is **\$1,256.84**.

Maximum Compensation Rate - The **Maximum Compensation Rate** is determined by the US Department of Labor each year effective October 1st and is equivalent to 200% of the National Average Weekly Wage as determined by government statistical surveys. Please refer to the following link: <http://www.dol.gov/owcp/dlhwc/>

Benefit Structure

The Defense Base Act may provide the following types of benefits to employees whose deaths, injuries or occupational illnesses arise out of, and in the course of their employment:

- Medical Services and Supplies
- Temporary Total Disability
- Temporary Partial Disability
- Permanent Partial Disability
- Permanent Total Disability
- Death Benefits
- Vocational Rehabilitation

Medical Services and Supplies

The employer's insurer is responsible for the medical, surgical, and other attendance or treatment, nurse and hospital service, medicine, crutches, and apparatus as the nature of the injury or the process of recovery may reasonably require. Physical rehabilitation services are included if necessary. The responsibility to provide medical care continues for as long as the nature of the injury requires (unless the employee agrees to settle his or her rights to future medical care). The responsibility to provide medical care is not limited in amount either annually or in aggregate. The insurer is, however, only required to pay charges for medical services that are reasonable in amount (usual and customary in the community where the services are rendered) and necessary to the treatment of the injury. The injured employee is not required to



meet any deductible or co-payment; the full cost of reasonable and necessary treatment, etc. is the insurer's responsibility.

Temporary Total Disability

If an employee is unable to work as a result of a compensable injury or occupational illness he is entitled to Temporary Total Disability (TTD) benefits as partial replacement of wages lost. No TTD is payable for the first three days of total disability unless the total disability lasts more than fourteen days. If total disability lasts longer than fourteen days the TTD benefit is paid from the first day of total disability (i.e. the three day "waiting period" is waived).

The Temporary Total Disability benefit continues as long as the disability is considered to be both "temporary" and "total" and is generally paid in bi-weekly installments. There is no maximum time period.

Temporary Total Disability benefits are generally paid at 66 2/3% of the injured employee's Average Weekly Wage subject to a maximum weekly amount, which is currently **\$ 1,256.84**.

Temporary Partial Disability

If an employee's injury (or the recovery from it) temporarily renders him only partially disabled, resulting in a temporarily reduced wage-earning capacity, the employee is entitled to Temporary Partial Disability Benefits (TPD). TPD benefits are paid at 66 2/3% of the difference between the average weekly wage before the injury and his wage-earning capacity after the injury in the same or another employment. TPD benefits are payable for the duration of the temporary partial disability but shall not exceed five years. The TPD rate is subject to modification on receipt of evidence of a change in earning capacity.

Permanent Partial Disability

If an employee's injury leaves him with a disability that is less than total but is of a permanent nature he or she is entitled to benefits for Permanent Partial Disability (PPD).

Under the Defense Base Act Permanent Partial Disabilities are compensated in one of two ways:

Scheduled (Loss or Loss of Use of, a Limb)

If the permanent partial disability results from the complete or partial loss, or loss of use of, a specific member of the body enumerated in Section 8 (c) of the Act, the PPD benefit is limited to the number of weeks applicable to the specific body part multiplied by the weekly compensation rate (as calculated for TTD) multiplied by the percentage loss, or loss of use of, the member. For example 25% loss of use of a leg due to a knee injury would result in compensation for PPD as follows:



Permanent Impairment = 25% of the left leg
Loss of a leg = 288 weeks of compensation
Compensation rate = \$782.44
Calculation: $\$782.44 \times 288 \times .25 = \$56,335.68$

Un-Scheduled (Loss of Wage Earning Capacity)

If the permanent partial disability results in an injury not delineated in the schedule mentioned above, compensation is based upon a loss of wage-earning capacity similar to that of the Temporary Partial Disability benefit. The compensation shall be 66 2/3% percent of the difference between the average weekly wage of the employee before the injury and the employee's earning capacity after the injury in the same or another employment. In the case of un-scheduled Permanent Partial Disability, benefits continue for the duration of the disability without any time limit.

Permanent Total Disability

If the injury leaves the employee permanently unable to engage in any gainful employment he or she is entitled to benefits for Permanent Total Disability (PTD). PTD benefits are payable at the same rate as TTD benefits (66 2/3% of the pre-injury average weekly wage subject to the maximum in effect on the date of the injury). The PTD benefit is payable for the duration of the employee's disability or for the remainder of his or her life. The PTD benefit is also subject to annual adjustments which are determined by the US Department of Labor.

Vocational Rehabilitation

In certain cases, where the nature of the injury is such that it will prevent the injured employee from returning to his pre-injury occupation, the employee may be entitled to assistance in vocational training and/or job placement.

Death Benefits

If the compensable injury or illness causes the death of the employee certain persons are entitled to receive Death Benefits.

If the deceased is survived by a widow or widower alone, he or she is entitled to receive 50% of the deceased employee's pre-injury average weekly wage (subject to the maximum in effect on the date of the accident) for the remainder of his or her lifetime or until he or she remarries.

If the deceased is survived by a widow or widower and one or more children the widow or widower receives 50% of the average weekly wage and an additional 16 2/3% is payable for the benefit of the children.

Children are entitled to benefits until the 18 years of age or until age 23 if they continue in an accredited school as full-time students. Children with a mental or physical disability sufficient to render them dependent upon the deceased for support may continue to be entitled to benefits beyond the ages of 18 or 23.



In the absence of a widow or widower, and any dependent children certain other dependent relatives of the deceased may, under certain circumstances, be entitled to receive benefits.

Funeral Expense

In the case of an employee who dies as a result of a compensable injury or occupational illness an allowance of up to \$3,000.00 is payable toward funeral expenses.

General Instructions – Forms Filing & Claim Reporting

All International Travel claims need to be reported to Rob Fields in the UT System Austin Claims Office. Rob will act as a liaison between all UT parties and the appropriate Chartis adjusters. Chartis will guide WCI through the forms necessary for each claim as it progresses.

Contact: Rob Fields
WCI Claims Coordinator
Office of Risk Management
Workers' Compensation Insurance
The University of Texas System
220 West 7th Street, Lavaca 2nd Floor
Austin, Texas 78701
(512) 499-4645
FAX: (512) 499-4671
rfields@utsystem.edu

However, there is a First Report Form (LS-202) required to be submitted initially. The Risk Finance Section of ORM (Tracy Seiler) will need to be informed of all claims being filed and their status.

LS-202 Employer's First Report of Accident

Employer must complete this form and file within 10 days of notice of injury.

For all injuries to employees occurring in the Middle East, the OWCP office in **New York** has initial jurisdiction and the **original** of the completed forms should be sent to:

Contact: Richard Robilotti, District Director
U.S. Department of Labor
Employment Standards Administration
Office of Workers' Compensation Programs—Longshore
PO Box 249
New York, NY 10014-0249



Copies of all completed forms on US Nationals and Third Country Nationals must be sent to:
DBA Claims

firstnotice@chartisinsurance.com

FOREIGN VOLUNTARY WORKERS' COMPENSATION/EL

EMAIL: worldriskclaimsreporting@chartisinsurance.com

WEBSITE: www.chartisinsurance.com/wsclaimsreporting

FAX: (866) 839-4158

Contact: WORLDSOURCE Dallas All Lines (DBA or FVW/EL)

Chris Walker
Chartis Insurance
600 N. Pearl, Suite 700
Dallas, Texas 75201
(214) 758-3251, (888) 969-6753
FAX: (866) 308-7299
Chris.walker2@chartisinsurance.com

Copies of all completed forms on Local Nationals and Third Country Nationals of MEMSA and African origin* should be sent to:

dba.dubai@chartisinsurance.com

Contact: Sahar Farra
Chartis MEMSA Holdings Inc.
P. O. Box 54400
Dafza, Dubai, UAE
Telephone: +9 (714) 601-4573
FAX: +9 (714) 601-4012
Sahar.farra@aig.com

Examiner Contact:
DBA
Cynthia Campbell
(214) 758-3237
Cynthia.campbell-lloyd@chartisinsurance.com

If employee will be off work more than 3 days, insured employer must notify Chartis of date employee will go off payroll so Chartis can commence weekly indemnity payments to employee. Chartis will reimburse insured indemnity due for period the disabled employee was kept on payroll, subject to a 3-day waiting period.

In the event of a lost time claim**

Chartis will require the following documentation from the employer:

- A copy of the personnel file, including but not limited to the employment contract, any job application submitted, any resume submitted



- Results of any pre-employment physical
- statement of wages earned (working for employer) during the past year
- copies of all medical records from the work country
- copies of any other reports regarding the incident, including internal reports, reports completed by the prime contractor, local police reports, news articles, and any military reports

If the LS-202 form indicates the date employee returned to work, no additional forms need be filed by the employer.

In the event of a death claim**

Chartis will require, ***at the minimum***, the following documentation from the beneficiary(s):

- Death certificate
- Birth certificate of any proposed beneficiary(s)
- Marriage certificate of any widow/widower
- All prior marriage certificates and divorce decrees of both deceased and surviving spouse
- Proof of dependency for non-spouse or child dependants
- Current photo national ID card

Medical Reports and Bills

Send copies to Chartis, who will pay direct or reimburse insured as appropriate.



FOREIGN WORKERS' COMPENSATION (NON-DBA)

This coverage is part of the Foreign Package Policy and applies to any injury or occupational illness occurring to an employee that is the result of a specific event or exposure which occurs while in the course and scope of employment while the employee is outside of the United States. As with all WCI claims, the employee will report the claim to their Institution and the Institution WCI representative will report the claim to the appropriate field office.

General Instructions – Forms Filing & Claim Reporting

All International Travel claims need to be reported to Rob Fields in the Austin Claims Office. Rob will act as a liaison between all UT parties and the appropriate Chartis adjusters.

Contact: Rob Fields
Office of Risk Management
Workers' Compensation Insurance
The University of Texas System
220 West 7th Street, Lavaca 2nd Floor
Austin, Texas 78701
(512) 499-4645
FAX: (512) 499-4671
rfields@utsystem.edu

Chartis will guide WCI through the forms necessary for each claim as it progresses. However, there is a Foreign Voluntary Workers' Compensation Employer's First Report form required to be submitted initially. The Risk Finance section of ORM will need to be informed of all claims being filed and their status.

Copies of all completed forms must be sent to:

firstnotice@chartisinsurance.com

Contact: Chris Walker
Chartis Insurance
600 N. Pearl, Suite 700
Dallas, Texas 75201
(214) 758-3251, (888) 969-6753
FAX: (866) 308-7299
Chris.walker2@chartisinsurance.com

Examiner Contact:
Foreign Voluntary Workers' Compensation/EL
Janice Dunn
(214) 758-3337
Janice.dunn@chartisinsurance.com



This coverage is part of the Foreign Package Policy and applies to third party liability for incidents occurring outside of the United States. As with all WCI claims, the employee will report the claim to their Institution and the Institution WCI representative will report the claim to the appropriate field office.

When a UT System Institution receives notice of a lawsuit, or a subpoena or other legal document requesting action on UT System's part, that institution is to immediately report the lawsuit or document to the UT System Legal Department.

The Office of Risk Management is to be notified *immediately* concerning any catastrophic event involving loss of life, serious injury, major property damage or significant environmental damage. For ease and uniformity of initial reporting, pro forma Property and Casualty Loss Reports follow at the end of this section. The UT System Risk Management is to be copied on all subsequent correspondence.

General Instructions – Forms Filing & Claim Reporting

All incidents and events that may create liabilities to UT System and institutions that may result in a claim or lawsuit are to be reported to Chartis and ORM. There is a Foreign General Liability Loss Report Form that must be submitted initially. The Insurance Section of ORM (Tracy Seiler) will need to be informed of all claims being filed and their status.

Relations with public in event of an Accident:

Under no circumstances should an oral or written, implied or expressed waiver of our insurer's right of recovery against a third party be made to anyone. This could jeopardize UT System's insurance.

Under no circumstances may an employee make an admission of liability to a third party or render or offer payment of any kind to a third party regardless of the circumstances. All accidents involving third parties should be referred immediately to Chartis and ORM.



FOREIGN AUTOMOBILE CLAIMS

This coverage is part of the Foreign Package Policy and applies to third party liability for incidents occurring outside of the United States. As with all WCI claims, the employee will report the claim to their Institution and the Institution WCI representative will report the claim to the appropriate field office.

This type of claim exists when there is an accident, while traveling outside of the United States, involving a licensed vehicle owned, leased or rented to UT System, which results in injury to person(s) other than a UT System employee, damage to another vehicle or to property not owned by UT System. If the incident involves a U.S. tagged/licensed vehicle traveling in Mexico, please refer to Mexico Tourist Auto Coverage.

Reporting Accidents/Incidents

All Automobile claims will be reported immediately (within 24 hours) to Chartis Claim Services via one of the following methods:

- Complete the [Automobile Liability Loss Notice](#) and send following the instructions on the form.
- Toll Free Telephone - **(888) 969-6753**
- Email - firstnotice@chartisinsurance.com

All incidents and events that may create liabilities to UT System and Institutions that result from an automobile accident are to be reported to Chartis and ORM. There is a [Foreign Automobile Liability Loss Notice](#) that must be submitted initially. The Risk Finance section of ORM will need to be informed of all claims being filed and their status.



MEXICO AUTOMOBILE CLAIMS

Reporting Accidents/Incidents

When traveling into Mexico on official university business, you must have in your possession a vehicle specific Mexico auto identification card and a copy of the Mexico Tourist Policy; these documents are required to be carried by Mexico law. In the event of a loss or accident, immediately notify (while in Mexico) the local Mexico insurer via the toll-free number located on the inside cover of the Mexico Tourist Policy. In addition to processing the claim information, the toll-free operator can also assist The University driver with obtaining service and legal assistance as necessary. Reporting the claim via the toll-free number is the first step to obtain help in the event of an accident. Later, at a more appropriate time, report the claim to your Institution's Fleet contact.

Institution Responsibilities

It is important for the insurance company to know clearly, and as soon as possible, all factual information about the accident. If the facts lead the driver or the Fleet contact to the opinion that the University is not at fault, clearly state that information when submitting the claim. If fault is questionable, the driver or Fleet contact should provide supporting information to assist the insurance company with their investigation. The University of Texas System Office of Risk Management (ORM) or the insurance company may request additional information needed for their files or for further processing. Authorization for repairs will not be given until the claim is reviewed by the insurance company.

International (and Mexico) Auto Claims Reporting

All incidents and events that may create liabilities to The University of Texas System and Institutions resulting from an international automobile accident are to be reported immediately (within 24 hours). Below are the available options to report international auto claims:

- [International Auto Loss Form](#)

When submitting the completed claim form to the insurance company, please send a copy to the ORM [Claims Coordinator](#).

