
White Paper

**Management Elements of the Mississippi
Institutions of Higher Learning's Self-Insured
Workers' Compensation Plan and Self-Insured
Tort Claims Plan**

Introduction

This paper is provided by the IHL Office of Risk Management to provide an overview of the IHL Self-Insured Workers' Compensation Plan (WC Plan) and the IHL Self-Insured Tort Claims Plan (Tort Plan).

The WC Plan was established in 1989 to meet the system's obligations under Mississippi Workers' Compensation law. The WC Plan is authorized and reviewed annually by the Mississippi Workers' Compensation Commission.

The Tort Plan was established in 1993 after passage of the Mississippi Tort Claims Act (MTCA). The Tort Plan is authorized by statute contingent on approval and annual review by the Mississippi Tort Claims Board (MTCB).

The common management elements of the WC Plan and the Tort Plan are:

- 1. Administration of Claims**
- 2. Litigation Management**
- 3. Safety and Loss Control Management**
- 4. Financial Risk Management**
- 5. Regulatory Authorization and Relations**

Administration of Claims

The Board of Trustees contracts with a third party claims administrator (TPA) to provide third party claims management services for both the WC Plan and the Tort Plan through dedicated claims units. These services include, but are not limited to, management of claim files and their associated costs, investigation and payment of claims, and litigation management.

When a claim is received by the TPA it is reviewed, a file is set up, and it is assigned to a claims representative. The claims representative contacts the entity reporting the claim and the claimant to determine the facts of the incident. The investigation process may include an on-site inspection of the accident scene, interviews with staff and witnesses, and review of medical records. Upon completion of the investigation, the claims representative makes a determination as to compensability (or liability) and may authorize payment.

Some of the key responsibilities of the TPA are to provide an adequate number of professionally trained staff members; to conduct a thorough investigation of each reported incident to the extent necessary; to arrange

for independent investigators, medical, or other experts to the extent deemed necessary; and to make payments when appropriate. The TPA performs numerous other functions which are vital to the success of these plans, which often involves coordination with IHL and the universities.

Litigation Management

The Office of Risk Management and the TPA are both involved in litigation management. Litigation management includes the selection and hiring of attorneys, supporting and managing legal work, reviewing and approval of legal bills, and participation in mediations and settlements.

The Office of the Attorney General (AG) assigns all defense attorneys involved in workers' compensation claims and litigation. These are attorneys selected from the AG's approved list that have agreed to the *Workers' Compensation Assignment and Litigation Management Plan*. Additionally, the AG approves all workers' compensation litigation payments after review of the invoices by the TPA and Office of Risk Management.

The Office of Risk Management assigns all defense attorneys for claims where the Tort Plan may have liability exposure. Attorney selection is made from the MTCB approved attorney list; each selected attorney receives an assignment letter and agrees to a *Tort Assignment and Litigation Management Plan*. The Office of Risk Management approves all tort legal expenses after review by the TPA and transmittal to the AG. Attorneys may be assigned after service of a Complaint, or earlier in anticipation of litigation.

Safety and Loss Control Management

IHL endeavors to provide the safest possible environment for employees, students, and visitors on campus. Through safety and loss control efforts, costs to the WC Plan and the Tort Plan are minimized. The Office of Risk Management provides on-site assessments, accident reviews, data analysis, and employee education or training so as to supplement university safety efforts and initiatives.

Safety and loss control programs include Fire Safety, Environmental Quality, Emergency Preparedness, Transportation and Fleet Safety, and Education or Training. Universities are encouraged to contact the Office of Risk Management for assistance.

Financial Risk Management

The Office of Risk Management administers the WC Plan and the Tort Plan, which responsibilities include the sound management of plan funds.

To manage these funds and meet fiduciary as well as regulatory standards, the Office of Risk Management works closely with the IHL Office of Finance and Administration, an actuary, an investment manager, claims and financial auditors, and the TPA.

The actuary provides the amount of assessment needed each year and the total ultimate loss exposure (liability) of the plans. These determinations are made using a historic claims approach. This allows the system to fund the plans based on experience. It also allows each entity to ultimately pay its own way, thereby providing an incentive for each university to improve safety and loss control activities and functions. The use of an actuary and auditors provides assurance that the plans are funded and managed properly.

Regulatory Authorization and Relations

Both the WC Plan and the Tort Plan are authorized by a regulatory agency. There are statutory and agency requirements on an annual basis as well as special reports or other requirements.

The Tort Plan is authorized by statute contingent on approval and annual review of the MTCB. The plan annually provides an actuary report, claims audit report, a list of participants with assessments due and collected from each entity, an audited financial statement, excess insurance policies, the TPA contract, and the year-end litigation expense report.

The WC Plan is authorized and annually reviewed by the Mississippi Workers' Compensation Commission. The plan annually provides an actuary report and an audited financial statement.

While beyond the scope of this white paper, the Office of Risk Management conducts procurement processes for services and insurance, many of which provide direct benefits to the self-insured plans.