

# CLAIMS MANAGEMENT SERVICES

## EFFECTIVE LOSS MANAGEMENT SOLUTIONS

PMA clients can count on us for immediate, effective response and control of their losses. PMA offers a wide array of Claims Management Services that are available for various lines of insurance and claims, including workers' compensation, general liability, property, and commercial auto.

PMA's imaging system electronically files, retrieves and stores all of our claims files online, enabling us to provide fast, efficient service. Our centralized PMA Customer Service Center allows for easy reporting and efficient claims set-up. Experienced professionals in our local offices manage claims.

Our clients can have direct access to loss information through PMA Cinch<sup>®</sup>, our Risk Management Information System, and ongoing contact with their PMA Claims Representative.

## 24/7 CLAIMS SERVICE

- Prompt service during and after normal business hours
- For emergencies, our goal is to place you in immediate contact with a claims professional—even after normal business hours

## REPORT CLAIMS BY FAX, INTERNET, PHONE

- Reporting options are designed for your convenience

## FULL SERVICE OFFICE NEARBY

- PMA Claims Offices are located throughout our marketing territory, with associated servicing partners in every state
- Our professionals have extensive knowledge of state jurisdictional issues, including regulatory, medical and legal matters

## QUALITY ASSURANCE

- Managed and balanced case loads
- Frequent file reviews by claims supervisors
- Ongoing quality assurance review of claims files by Corporate Claims specialists

## FRAUD PREVENTION PROGRAM

- PMA operates a Special Investigations Unit to help prevent fraud
- Integrated investigation of all suspected fraud by PMA's Special Investigations Unit, trained claims professionals and independent investigators

## LITIGATION MANAGEMENT PROGRAM

- Cost-effective and aggressive management of litigated claims
- Litigation specialists effectively handle high exposure and complex claims
- Stringent defense counsel selection process and adherence to litigation guidelines

## WORKERS' COMPENSATION CLAIMS MANAGEMENT SERVICES

### THREE-POINT CONTACT PROGRAM

- PMA initiates substantive contact among injured worker, employer and medical provider within 24 hours of accident report receipt
- PMA facilitates ongoing, three-part alliance for disability management and safe return-to-work strategies

### ISO CLAIM SEARCH REGISTRATION OF ALL INJURY CLAIMS

- Provides essential data to detect possible fraudulent bodily injury claims

### CLAIMS INVESTIGATION SERVICES

- Detailed, timely and thorough investigation of claims

### SUBROGATION

- Aggressive investigation of employee injury claims in order to identify subrogation potential and protect a client's financial interests

## MEDICAL COST CONTAINMENT PROGRAM

### MEDICAL CASE MANAGEMENT

- Based on two key principles—early intervention by a medical professional and our responsive claims service complemented by proactive medical case management
- Three levels of case management, based on complexity of medical issue—telephonic, face-to-face by a PMA case management nurse or through our partnership with a nationally recognized specialist of catastrophic case management
- All of our disability management coordinators (DMCs) and on-site case managers (CMs) are registered nurses
- Disability management begins immediately after injury notification
- Medical issues are proactively managed to ensure safe and timely return to work
- Dual Handling Approach—our DMCs work in concert with a PMA Claims Representative—resulting in a collaboration of medical and claims expertise

## NATIONWIDE PREFERRED PROVIDER NETWORKS

- Comprehensive networks of approximately 4,400 hospitals and over 320,000 medical providers, including orthopedists, neurologists and physical therapists
- Providers chosen for workers' compensation expertise and are carefully credentialed
- Savings below state fee schedule, or reasonable and customary levels, can be expected when network providers are utilized

## MEDICAL BILL REVIEW TEAM

PMA has a formalized, multi-layer review process:

- *Initial computer-assisted review.* PMA's Customer Service Center and medical bill repricing software review all of our medical bills for billing fraud and inaccuracies. PMA utilizes a state-of-the-art process for medical bill management that includes:
  - A fully imaged environment allowing our staff up-to-the-minute access to bills and records
  - Conversion of paper bills to electronic data through a combination of Optical Character Recognition (OCR) and Key From Image (KFI), including sophisticated data edits to ensure accurate data conversion
  - Proprietary claim handler edits
  - Seamless electronic bill transmission to medical repricing vendor, and between PMA repricing staff and the PMA Preferred Provider Network
- *Review by Nursing Professionals.* Sophisticated software isolates medical bills at high risk for coding inaccuracies and overutilization. PMA's Medical Cost Containment Team, which is staffed by experienced nursing professionals and coding specialists, also evaluates these bills.
- *Bill Repricing.* If inaccuracies are identified, a medical bill will be adjusted in accordance with state rules and repriced to fee schedule or usual and customary and then a payment (if appropriate) is sent to the medical provider.

## PHARMACY BENEFITS MANAGEMENT PROGRAM

- Includes a directly contracted pharmacy network that affords broad access for injured workers and substantial discounts for prescription drugs
- Cardless system facilitates injured worker treatment process
- Injured employees can obtain their prescriptions with no out-of-pocket expenses
- Over 50,000 pharmacies nationwide

## OUT OF NETWORK PROGRAM

- For medical services performed by providers outside PMA's Preferred Provider Networks
- Potential savings below submitted charges, traditional state fee schedules or usual and customary charges with utilization of this program

## RETURN-TO-WORK PROGRAMS

- Our disability management program focuses on transitioning employee back to work once it is medically advisable
- We offer expert, detailed guidance on the implementation of safe and effective return-to-work programs

# CLAIMS MANAGEMENT

## PROPERTY & CASUALTY CLAIMS MANAGEMENT SERVICES

- We have the ability to handle claims throughout the US
- Our claims professionals have extensive experience and are trained in commercial auto, liability and property
- Cost-effective resolution expertise

### PROPERTY DAMAGE CLAIMS PROGRAM

- Emergency/after-hours response, providing solutions that address your loss and immediately assist in damage stabilization
- Property claims are handled by designated property professionals
- Frequent communication with you, providing the latest information on your claim
- Claims are reviewed by our Subrogation Department for potential recovery against the responsible party. At PMA, subrogation is aggressively pursued by our staff.

### LIABILITY AND LITIGATION MANAGEMENT

At PMA, we emphasize aggressive management of liability and litigated claims.

Highlights of our program include:

- A network of claims specialists who are dedicated to handling high-exposure and complex claims
- A stringent defense counsel selection process and adherence to litigation guidelines
- Access to our house counsel operation in select jurisdictions for more cost-effective representation of commercial liability claims
- Utilization of negotiation tools and resources to resolve claims fairly and effectively, including the use of arbitration, mediation and structured settlements
- A legal bill audit program for consistent and thorough review of legal bills to ensure billing guideline compliance

### AUTO PHYSICAL DAMAGE SERVICES

- An appraisal process that is implemented within 24 hours of receipt of your claim
- Prompt payments
- Access to a nationwide salvage program for auto as well as heavy equipment
- Preferred rates with national car rental agencies

# COMMERCIAL MARKETS

## PRODUCTS

### OVERVIEW

Mid-size companies have their own set of needs when it comes to creating innovative, effective insurance programs. PMA's Commercial Markets segment helps meet those needs by developing customized solutions tailored to your specific business. Our clients span a wide range of industries, including manufacturing, retail, wholesale, colleges/universities, and artisan contractors.

PMA's Commercial Markets team works together with you to improve your financial results through an integrated approach. Our excellent claims management, managed care and risk control services enhance your profitability by controlling exposures and minimizing costs.

### PMA COMMERCIAL MARKETS PRODUCTS INCLUDE:

- Deductible Plans (up to \$150,000)
- Incurred Loss Retros
- Fixed Cost Plans
- Retention and Sliding Scale Dividends
- Safety Group Dividends
- Multi-Line Retros

### COVERAGES OFFERED:

- Workers' Compensation
- Property/Equipment Breakdown
- Crime
- Commercial Auto
- General Liability
- Umbrella/Excess
- Inland Marine
- International Coverage through PMA Global Envoy®

# PMA MANAGEMENT CORP.

PMA Management Corp. (PMAMC), a service affiliate of The PMA Insurance Group, is a third-party administrator (TPA) that offers multi-line claims and risk management services for individual, captive and group self-insured clients. Customized programs are managed by our team of experts and designed specifically to meet the needs of your organization. State-of-the-art capabilities enable us to create innovative strategies to impact your company's bottom line.

## PMA MANAGEMENT CORP. HIGHLIGHTS

- Complete multi-line claims and risk management services
- Services to individual, captive and group self-insured clients
- A service culture that is built around a partnership with each client. We work with you to achieve your goals—reducing costs and enhancing your program's overall performance. Our infrastructure is designed to ensure that you receive the support necessary to manage your organization's risk.
- Highly experienced claims professionals provide you with the control you require while allowing you to take advantage of our advanced Internet-based technology, managed care program and risk management expertise.

## SERVICES AVAILABLE THROUGH PMA MANAGEMENT CORP.

### CLAIMS ADMINISTRATION/TPA SERVICES

We offer comprehensive claims management services for workers' compensation, property, general liability, municipal liability and auto liability claims. Our expert claims service is designed to minimize your overall exposures and control your costs. Our services include:

- Investigation
- Three-Point Contact established among the injured worker, the medical provider and you
- Subrogation/Excess Reporting & Recoveries
- Reserve Establishment and Action Planning
- Expense Management
- Electronic Diary
- Stewardship Reporting of Results
- Litigation Management Utilizing Comprehensive Defense Counsel Guidelines
- Convenient Funding Options

# PMA MANAGEMENT CORP.

## MANAGED CARE SERVICES

PMA's Managed Care Program is integral to controlling medical costs associated with workers' compensation. We safely return your employees to work as soon as medically possible. All of our Disability Management Coordinators and Case Managers are registered nurses. Our services include:

- Preferred Provider Networks – access to comprehensive workers' compensation PPNs
- Convenient, cardless Pharmacy Benefits Management Program
- Medical Bill Review System ensures significant cost containment
- Out of Network Program – designed to generate savings for medical services performed by providers outside PMA's Preferred Provider Networks
- Case Management and Peer and/or Utilization Review ensures quality care at the lowest possible cost to you

## DISABILITY MANAGEMENT

- Modified/Transitional Duty Program
- Independent Medical Examinations
- Vocational Rehabilitation

## RISK CONTROL SERVICES

We can play an important role in mitigating your losses and improving your bottom line. Designed to help you reduce the costs of workers' compensation, property, general liability and auto claims, our Risk Control Services include:

- Risk Management Assessment
- Site Surveys
- Safety Programs
- Training Programs
- Industrial Hygiene and Ergonomics Consulting
- Benchmarking your performance versus industry peers

## RISK MANAGEMENT INFORMATION SYSTEM

Through our computer and imaging systems, we can assist you with your information and processing needs. Our paperless claims environment offers:

- Online reporting of claims with instant access to your claim number
- Internet access to your claims files and their documents
- Online systems access: Log Notes, Email, Reserving, Loss Analysis
- PMA CINCH<sup>®</sup>, our exclusive web-based Risk Management Information System, helps you analyze losses and trends

## QUALITY ASSURANCE

PMAMC is SAS 70 Certified and takes pride in providing outstanding quality assurance services that include:

- Claims Quality Control
- Litigation Management
- Fraud Control



# RISK MANAGEMENT

## INFORMATION SYSTEM/REPORTING

### PMA CINCH®

#### RISK MANAGEMENT INFORMATION MADE EASY.

We offer clients PMA CINCH, our comprehensive Risk Management Information System that provides a fast, easy way to run and extract your risk management information online.

Clients can link to CINCH on the PMA home page. We designed CINCH as the ultimate service tool for our clients, brokers and agents. Flexibility is built in, so your most specific business needs can be met. CINCH helps clients to prevent and limit losses, address insurance and related business issues, and to manage risk management activities with more control and efficiency—and less time and trouble.

#### WHAT A CINCH IT IS TO:

- *Access information that's updated daily:* You'll be able to view more than 30 summary and detailed claims screens
- *Retrieve loss information:* Right when you need it, including:
  - Managed care saving
  - Loss analysis
  - Trending data
  - Frequency, severity and location of losses
  - Current paid and reserved dollar amounts per claim
  - Reserve analysis
  - Detailed listing of payments
  - Claim handler log notes, grouped for easier viewing by categories
- *Generate reports:* For your own files
- *Identify cost savings:* Via enhanced risk analysis capabilities, quicker corrective action and automated cost allocation
- *Analyze risk data:* You'll have filters, sorts and aggregations for the important fields on the database
- *Utilize a location coding scheme that allows for analysis*
  - Across locations
  - Within a specific set of locations
- *Report your claims and receive immediate confirmation via email:* CINCH simplifies the process
- *Display graphs:* You'll instantly generate full color, readable graphs from your primary inquiries
- *Email PMA Professionals:* Contact your claims rep with online speed
- *Track claims reportable to OSHA while maintaining full control over selection and reporting*

# RISK MANAGEMENT

## SERVICES AND NATIONAL ACCOUNTS

### ADVANCING YOUR ORGANIZATION'S FINANCIAL PERFORMANCE

PMA Risk Management Services and National Accounts focuses on developing solutions to provide better financial outcomes for large companies with specialized insurance needs. Our goal is to advance your organization's financial performance by expertly designing, implementing and managing innovative programs for your specific risk management needs.

PMA has the capability to write business anywhere in the US. We deliver local claims and risk control services and have a national approach to underwriting.

PMA's Risk Management solutions are designed to:

- generate a strong financial return for your organization
- provide you with convenience of easy administration for your risk management program
- offer you 24/7 access to your loss information and ongoing accessibility to your service team
- improve your company's bottom line

*PMA Risk Management Services and National Accounts offers you:*

### RISK-FINANCING PRODUCTS

PMA is focused on changing the risk management outcomes for clients. Our performance-driven approach is good for your businesses.

We offer products and risk-transfer options customized to meet clients' needs and risk appetite. Our programs include:

- Rent-a-Captives
- Client-Owned Captives
- Deductible Plans, including Pre-funded Options (cash collateral)
- Loss Multiplier Plans
- Retrospectively Rated Programs (incurred and paid loss, and premium deferred options available)
- SIR Programs
- Guaranteed Cost (includes the utilization of Loss Sensitive Dividend Plans)
- Multiple Lines Programs
- Group Programs

### RISK MANAGEMENT SERVICES AND NATIONAL ACCOUNTS SERVICE PROGRAM

As you assume a greater proportion of your risk, a more aggressive approach to loss management is needed to control your costs and improve your financial performance. The key is to appropriately balance the management of loss costs with increased risk assumption—the more risk you assume, the more cost containment services you may require.

# RISK MANAGEMENT

## RISK CONTROL, CLAIMS SERVICES AND MEDICAL SAVINGS FOR RISK MANAGEMENT SERVICES AND NATIONAL ACCOUNTS

We make it easy for you to do business with us. We offer you local claims and risk control services through access to an established national network. Our aggregate service platform is available nationwide to respond to all aspects of your risk management service needs.

Our risk control, claims and managed care services, in conjunction with the PMA Account Management Process, are designed to effectively control your costs, improve your financial performance and make it easy to do business with us.

## PMA ACCOUNT MANAGEMENT

Our disciplined *PMA Account Management* process is the cornerstone of PMA's service commitment to you. With PMA Account Management, your program will have the structure to ensure that it is being continually monitored and measured, with the goal of achieving optimal performance for you.

## RISK MANAGEMENT SERVICES TEAM

As part of *PMA Account Management*, you will be aligned with a team who works collaboratively to improve your results and who is accountable for PMA's service delivery and performance.

Your *PMA Account Management* team consists of results-oriented PMA professionals:

- National Accounts Underwriting Executive
- Risk Control Professional
- Claims Service Manager
- Business Developer

## PMA CLAIMS SERVICE MANAGER—AN ADDITIONAL LEVEL OF SERVICE

As a Risk Management Services client, you will be partnered with a *PMA Claims Service Manager (CSM)*. You'll have one easy point of contact that you can access for information, problem solving, support and service.

## PMA'S STEWARDSHIP PROCESS

PMA is committed to helping you to improve your financial performance and results. As part of that commitment, as a PMA Risk Management Services client, you will have the opportunity to participate in Stewardship Reviews of your account that are intended to provide you with significant risk management information.

## RISK MANAGEMENT INFORMATION SYSTEM

Clients will have access to a fast, easy way to run and extract risk management information online with PMA CINCH®. We designed PMA CINCH as the ultimate service tool for our clients, brokers and agents. Flexibility is built in, so your most specific business needs can be met.

# PMA GROUP PROGRAMS

There's strength in numbers. That is the basis for the PMA Group Programs. Our goal is to leverage the purchasing power of the critical mass to provide clients with similar risk characteristics with access to programs that utilize proactive, innovative risk management solutions that deliver results.

## PMA'S UNDERWRITING APPROACH FOR GROUP PROGRAMS

What makes up a group? PMA looks for several organizations within the same industry, using their similar loss exposures to create cost-effective programs. This strategy enables smaller companies to receive the same quality, comprehensive program as larger organizations, including competitive pricing. Our underwriting expertise covers a diverse group of industry segments, from manufacturing to retail. And our track record illustrates our success, with over 90 years' experience dealing with workers' compensation programs.

## ALL OF OUR GROUP PROGRAMS SHARE THESE DEFINING FEATURES THAT HELP ENSURE MAXIMUM RESULTS:

- *Customized Services and/or Coverages:* Group Programs include special coverages, services, rating plans, information handling or reporting, dividends or other collateral requirements.
- *Common Distribution System:* Our programs have an identified accountability tied to a single or specific group of agents/brokers.
- *Formalized Marketing Plan:* A complete plan is created with specific actions, goals and quantifiable measures for growth, market penetration and profitability of the group. PMA's Group Programs team can assist agents, brokers and sponsors in developing and executing these plans.

The PMA Group Programs offers a variety of benefits—there's something for everyone.

## BENEFITS FOR GROUP MEMBERS

- *Customized Services and/or Coverages:* PMA is experienced in the type of customization that reflects specific industry or group members' needs.
- *Risk Management:* PMA is able to build programs that help identify and eliminate the root causes of loss and protect members' assets. This can help reduce operating costs as well as the overall insurance cost.
- *Dividends:* PMA can offer additional premium savings with group dividends, payable if the group's overall loss experience is favorable.\*

\*The PMA Insurance Group cannot guarantee dividends to policyholders, since dividends are dependent upon earnings of the Company and the approval of the Board of Directors.

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# PMA GROUP PROGRAMS

## BENEFITS FOR GROUP SPONSORS

- *Innovative Solution:* Our team meets the challenges of creating a customized program for unique needs.
- *Strengthened Membership:* Providing the coverages and services group members need can improve member retention, increase membership enrollment and help ensure the continued success of the group.
- *Greater Marketing Opportunities:* Programs can enhance the sponsor's image both inside and outside the organization, leading to greater growth opportunities.

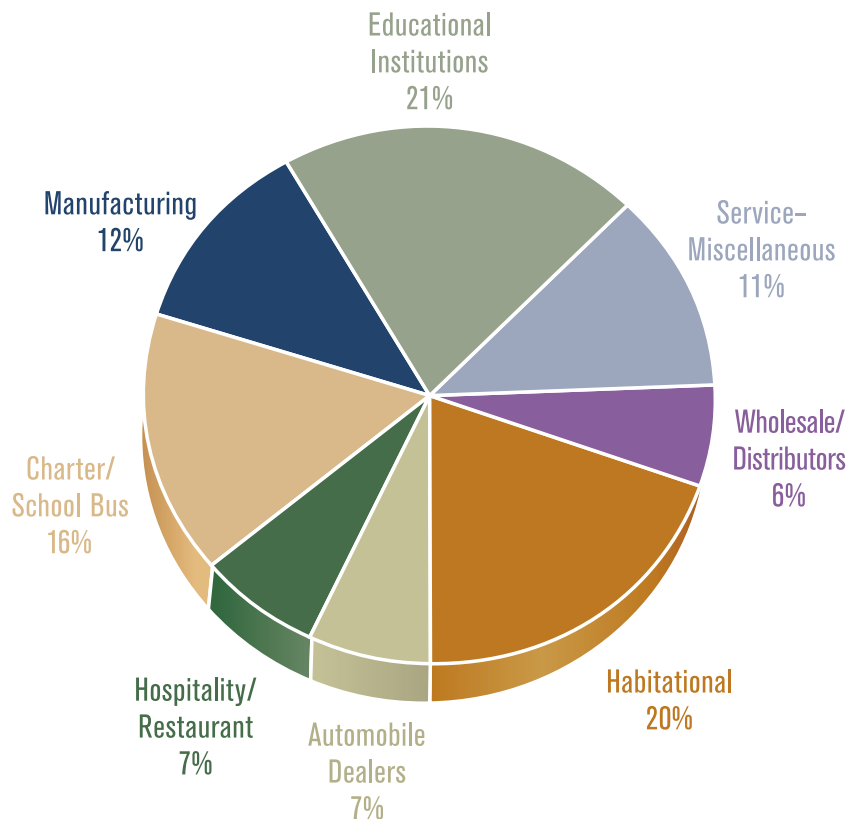
## BENEFITS FOR PRODUCERS AND PROGRAM ADMINISTRATORS

- *Strong Business Market:* PMA continues to grow as a financially stable, service-intensive insurance provider that offers an array of insurance products and services. Our years of experience and strong reputation create a solid business market.
- *Local Administration and Expertise:* Our programs are developed and coordinated in PMA's Branch Offices by experienced and knowledgeable staff. Support is provided by PMA's Corporate Group Programs team.

## PMA CURRENTLY HAS OVER 20 GROUP PROGRAMS.

The following chart\* shows the PMA Group Programs industry segmentation.

\*as of February 2007



# RISK CONTROL SERVICES

PMA's Risk Control team recognizes that each customer and each insurance and business challenge needs a tailored business solutions approach. We work with you to evaluate your specific types of risk management exposures and also to assess the effectiveness of your operational controls. Based on our client's operational knowledge and PMA's risk management analysis, we formulate a mutual business solutions approach.

## OUR BUSINESS SOLUTIONS APPROACH PROVIDES A CLEAR PARTNERSHIP AGREEMENT WITH OUR CLIENTS THAT INCLUDES:

- Business solutions tailored specifically for each client
- Common objectives achieved by combining resources
- Agreement on measurement of targeted results

PMA's Risk Control Business Solutions Approach involves the execution of key steps to produce the desired change and guide the continuous improvement process.

## THESE STEPS INCLUDE:

- *Risk Identification.* An initial and ongoing study of an organization's exposures to risks that could impact the resources of the organization.
- *Risk Analysis.* Includes an examination of historical information, operational issues and the effectiveness of current controls to arrive at a priority sequence for improvement actions.
- *Strategic Risk Control Planning.* Once priorities are mutually established, PMA, in conjunction with the client, develops a plan to achieve targeted results based on established responsibilities and measurements.
- *Implementation of Action Plan.* Resources assigned to execute the plan within specified time frames.
- *Monitoring Results vs. Goals.* Measuring results against established benchmarks to validate the effectiveness of the plan.
- *Managing Improvement Strategies.* Maintaining existing controls while continuously refreshing the action plan to achieve targeted results.

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# RISK CONTROL

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Whether you are looking for rapid change, gradual improvement or help maintaining the safety and health record you have already achieved, PMA's Risk Control Services can deliver for you.

RISK CONTROL

# PMA PREMIER<sup>®</sup> & PMA ELITE<sup>®</sup>:

## COMMERCIAL MULTI-PERIL INSURANCE

### PMA PREMIER AND PMA ELITE

PMA's commercial multi-peril products, PMA Premier and PMA Elite, provide you with the opportunity to offer your clients comprehensive property and general liability coverages supported by PMA's superior services. Our enhanced products provide additional property and general liability coverages and increased limits. PMA Premier and PMA Elite also offer risk control services with a strong base of technical expertise and claims services provided by PMA's experienced staff of dedicated property and general liability claims professionals.

#### A GENERALIST APPROACH

Both the PMA Premier and PMA Elite products provide a broadened package of insurance coverages designed for clients' needs. We customize an array of coverages tailored to various industry groupings. The PMA Premier and the PMA Elite product offerings are available for a broad spectrum of industries.

#### PMA PREMIER

- A broad package of commercial property and general liability coverages supported by exceptional service and responsiveness
- Coverages can be readily adapted to meet clients' needs—you can buy increased limits and additional coverages

#### PMA ELITE

- Comprehensive coverage supported by exceptional service and responsiveness
- Package of specially designed coverages for specific industries
- Single fee for high core limits and comprehensive coverages make this a very cost-effective way to purchase quality package insurance
- Option to increase limits and buy additional coverages to meet your business needs

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## PMA PROPERTY & GENERAL LIABILITY RISK CONTROL SERVICES

Our Risk Control Business Solutions Approach is designed to guide our clients' desired change and promote continuous improvement. Our highly seasoned professionals take the time to understand your business and operational issues.

### PROPERTY RISK CONTROL SERVICES

PMA's professional Risk Control staff has expertise in fire detection and protection systems, property conservation techniques and life safety issues. We recommend viable, cost-effective solutions to allow you to better manage risks to your property.

### HIGHLIGHTS OF PROPERTY RESOURCES

- Fire Protection Plan Reviews for New Construction, Renovations or Systems in Place
- Fire Protection Standards Consulting
- Sprinkler System, Alarm System, Fire Pump and Water Supply Analysis
- Special Fire Extinguishing System Evaluation
- Emergency Action Planning Assistance
- Disaster Recovery Planning Assistance
- Impairment Program Assistance
- Fire Prevention and Mitigation Consulting
- Life Safety Planning and Program Review Assistance

### GENERAL LIABILITY RISK CONTROL SERVICES

PMA's professional Risk Control staff has the expertise to develop cost-effective solutions that target loss drivers and key exposures to assist our clients with managing their on-premises exposures and other liability issues.

### HIGHLIGHTS OF GENERAL LIABILITY RESOURCES

- Surface Slip Resistance Testing
- Slip and Fall Program Consulting
- Life Safety Consulting
- Certificate of Insurance Tracking Database
- Time and Temperature Protocol Consulting

### PRODUCTS LIABILITY RISK CONTROL SERVICES

PMA's professional Risk Control Product Liability Specialists have all undergone extensive outside training on all facets of products liability.

### HIGHLIGHTS OF PRODUCTS LIABILITY RESOURCES

- Product Safety Consulting
- Product Hazards Assessments
- Supplier and Vendor Qualification Program
- Quality Control Program Review
- Product Recordkeeping Systems
- Recall Program Consulting

### PMA LIABILITY AND PROPERTY CLAIMS

PMA has a longstanding reputation as one of the best claims providers in the commercial property & casualty industry. The successful results that we generate for clients are rooted in our commitment to customer service, the quality of our work and our ability to resolve problems.