

COMPLIANCE AUDIT REPORT

**STATE OF MAINE
WORKERS' COMPENSATION BOARD**



**Sentry Insurance Company
Engagement Date: January 26, 2015
Issue Date: October 8, 2015**

Office of Monitoring, Audit & Enforcement

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SUMMARY

The Sentry group of affiliated companies (collectively Sentry) provide a wide variety of business insurance products including workers' compensation.

The Audit Division of the Maine Workers' Compensation Board (Board) examined thirty-seven (37) claim files where indemnity benefits were paid for the period under examination (2012-2014) as well as sixty (60) medical payments for the period under examination (2012-2014) to determine compliance with statutory and regulatory requirements in the following areas:

- Form filing
- Timeliness of benefit payments
- Accuracy of benefit payments

The claim sample was drawn from a listing of all of Sentry's 2012-2014 Maine workers' compensation claims. The medical payment sample was drawn from a listing of all of Sentry's 2012-2014 medical payments for those claims in the sample.

Sentry handles its Maine workers' compensation claims primarily in Westford, Massachusetts. Sentry also utilizes the services of Daniel Gilligan, Attorney at Law as its claims agent within the State, although none of the claims under review were adjusted by Attorney Gilligan.

The audit work was conducted as a desk audit.

The compliance tables found on pages 18 through 23 of this report are representative of Board findings as of December 31, 2014. Since that time, the Audit Division has received additional information, missing form filings, form corrections, indemnity payments and adjustments.

Following is a discussion of the aforementioned compliance tables and of the steps taken since December 31, 2014 to rectify identified noncompliance issues. This discussion also includes other significant issues identified by the audit.

◆ **Form filing**

- Title 39-A M.R.S.A. and the Board Rules and Regulations provide the requirements for reports to the Board:

<i>WCB-1, First Report of Occupational Injury or Disease</i>	<i>39-A M.R.S.A. Section 303, Rules & Regs, Ch 8 Section 13, Rules & Regs, Ch 3 Section 4</i>
<i>WCB-2, Wage Statement</i>	<i>39-A M.R.S.A. Section 303</i>
<i>WCB-2A, Schedule of Dependents and Filing Status</i>	<i>39-A M.R.S.A. Section 303</i>
<i>WCB-3, Memorandum of Payment (MOP)</i>	<i>Rules & Regs, Ch 1 Section 1.1, Rules & Regs, Ch 1 Section 1.3, 39-A M.R.S.A. Section 205(7), Rules & Regs, Ch 8 Section 12</i>
<i>WCB-4, Discontinuance or Modification of Compensation</i>	<i>Rules & Regs, Ch 8 Section 11, Rules & Regs, Ch 8 Section 12</i>
<i>WCB-4A, Consent Between Employer and Employee</i>	<i>Rules & Regs, Ch 8 Section 18</i>
<i>WCB-8, (21 Day) Certificate of Discontinuance or Reduction of Compensation</i>	<i>39-A M.R.S.A. Section 205(9)</i>
<i>WCB-9, Notice of Controversy (NOC)</i>	<i>Rules & Regs, Ch 1 Section 1.1, Rules & Regs, Ch 3 Section 4</i>
<i>WCB-11, Statement of Compensation Paid</i>	<i>Rules & Regs, Ch 8 Section 1, Rules & Regs, Ch 8 Section 12</i>

- Failure to file any Board form within established time frames is a violation of Title 39-A M.R.S.A. Section 360(1) (A) or (B).
- First Report of Occupational Injury or Disease (WCB-1):
 - Fifteen (15) First Report of Occupational Injury or Disease forms were filed in accordance with the above requirements.
 - Sentry’s compliance rate for First Report of Occupational Injury or Disease filings is 41%, which is below the Board’s performance benchmark of 85%.
 - Twenty (20) First Report of Occupational Injury or Disease forms were filed late.
 - Two (2) First Report of Occupational Injury or Disease forms were required, but not filed.
 - Since December 31, 2014, Sentry submitted those two (2) First Report of Occupational Injury or Disease forms.
- Wage Statement (WCB-2), Schedule of Dependents and Filing Status Statement (WCB-2A) (for dates of injury prior to 1/1/13 only), and Fringe Benefits Worksheet (WCB-2B) (for claims which become compensable on/after 1/1/13):
 - Twenty-two (22) Wage Statements, two (2) Schedule of Dependents and Filing Status Statements, and nine (9) Fringe Benefits Worksheets were filed in accordance with the above requirements.

- Thirteen (13) Wage Statements, eleven (11) Schedule of Dependents and Filing Status Statements and twelve (12) Fringe Benefits worksheets were filed late.
- One (1) Wage Statement and one (1) Fringe Benefits Worksheet were required, but not filed.
 - Since December 31, 2014, Sentry submitted that one (1) Wage Statement and that one (1) Fringe Benefits Worksheet.
- Memorandum of Payment (WCB-3 or WCB-4A) and Notice of Controversy (WCB-9):
 - Twenty-two (22) Memorandum of Payment forms and five (5) Notice of Controversy (“lost time”) forms were filed in accordance with the above requirements.
 - Sentry’s compliance rate for Memorandum of Payment filings is 50%, which is below the Board’s performance benchmark of 85%.
 - Sentry’s compliance rate for Notice of Controversy filings is 63%, which is below the Board’s performance benchmark of 90%.
 - Seventeen (17) Memorandum of Payment forms and three (3) Notice of Controversy (“lost time”) forms were filed late.
 - Five (5) Memorandum of Payment forms were required, but not filed.
 - Since December 31, 2014, Sentry submitted those five (5) Memorandum of Payment forms.
- Discontinuance or Modification of Compensation (WCB-4 or WCB-4A):
 - Eleven (11) Discontinuance or Modification of Compensation forms were filed in accordance with the above requirements.
 - Seventeen (17) Discontinuance or Modification of Compensation forms were filed late.
 - Thirty (30) Discontinuance or Modification of Compensation forms were required, but not filed.
 - Since December 31, 2014, Sentry submitted those thirty (30) Discontinuance or Modification of Compensation forms.
- (21 Day) Certificate of Discontinuance or Reduction of Compensation (WCB-8 or WCB-4A):
 - Three (3) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms were filed in accordance with the above requirements.
 - One (1) (21 Day) Certificate of Discontinuance or Reduction of Compensation form was required, but not filed.

- Since December 31, 2014, Sentry submitted one (1) Consent Between Employer and Employee form in response to our request for this filing.
- Statement of Compensation Paid (WCB-11):
 - Twenty-five (25) Statement of Compensation Paid forms were filed in accordance with the above requirements.
 - Thirteen (13) Statement of Compensation Paid forms were filed late.
 - Seventeen (17) Statement of Compensation Paid forms were required, but not filed.

◆ **Timeliness of benefit payments**

- Title 39-A M.R.S.A. Section 205(2) provides the time requirements for indemnity payments.
- When there is not an ongoing dispute, failure to pay weekly compensation benefits or accrued weekly benefits within 30 days after becoming due and payable is a violation of Title 39-A M.R.S.A. Section 205(2) and subject to penalty under Section 205(3).
- Initial Indemnity Payments:
 - Thirty-four (34) initial indemnity payments were made timely and three (3) claims received “salary continuation” from their respective employers.
 - Sentry’s compliance rate for initial indemnity payments (timely payments and “salary continuation” collectively) is 77%, which is below the Board’s performance benchmark of 87%.
 - Eleven (11) initial indemnity payments were made late.
 - Five (5) late initial indemnity payments were made later than 30 days after they became due and payable, in violation of Section 205(2) and subject to penalty under Section 205(3).
- Subsequent Indemnity Payments:
 - Four hundred eighty-two (482) subsequent indemnity payments were made timely.
 - Forty-nine (49) subsequent indemnity payments were made late.
- Board Rules and Regulations Chapter 5 states in part, “The employer/insurer shall pay the health care provider's charge or the maximum allowable payment under this fee schedule, whichever is less, within 30 days of receipt of a bill unless the bill or previous bills from the same provider or the underlying injury has been controverted or denied. If an employer/insurer controverts whether a health care provider’s bill is reasonable and proper under § 206 of the Act, the employer/insurer shall send a copy of the notice of controversy to the health care provider.”
 - Sixty (60) medical payments were made timely.
- Title 39-A M.R.S.A. Section 324(1) provides the requirements for compensation payments per an approved agreement, order or decision. Board Rules and Regulations Chapter 8, Section 18.2 provides the requirements for compensation payments per a Consent Between Employer and Employee (WCB-4A).
 - Two (2) Lump Sum Settlements, two (2) mediation agreements and (2) Consent Decrees were paid timely.
 - One (1) provisional order was paid late in violation of Section 324(1) and subject to penalty under Section 324(2).

◆ **Accuracy of indemnity payments**

- Title 39-A M.R.S.A. Section 102(4) and Board Rules and Regulations Chapter 1, Section 5 provide the requirements for calculating average weekly wages (AWWs). Title 39-A M.R.S.A. Section 102(1) and Board Rules and Regulations Chapter 8, Section 9 provides the requirements for determining weekly compensation rates (WCRs). Title 39-A M.R.S.A. Sections 212, 213, and 215 provide the requirements for compensation for total incapacity, partial incapacity, and death benefits.
- The accuracy of indemnity payments was reviewed for thirty-seven (37) claims.
- Average Weekly Wage:
 - Twenty-three (23) AWWs were correct.
 - Fourteen (14) AWWs were incorrect.
- Weekly Compensation Rate:
 - Seventeen (17) WCRs were correct.
 - Twenty (20) WCRs were incorrect.
- Partial Benefits Calculation Method:
 - The method used to calculate partial benefits was correct for zero (0) claims.
 - The method used to calculate partial benefits was incorrect for eight (8) claims.
- Amount Paid:
 - Zero (0) claims were compensated correctly.
 - Seventeen (17) claims were underpaid (\$9,120.73 aggregately).
 - Since December 31, 2014, Sentry paid the amounts due.
 - Twenty (20) claims were overpaid (\$10,061.64 aggregately).
 - Collectively, the aforementioned errors resulted in a net overpayment of \$940.91 to injured workers.

◆ **Accuracy of medical payments**

- Title 39-A M.R.S.A. Section 209-A and Board Rules and Regulations Chapter 5, provide the fee setting requirements for medical and ancillary services and products rendered by individual health care practitioners and health care facilities.
- The accuracy of medical payments was reviewed for twenty-three (23) claims.
- Amount Paid:
 - Medical payments sampled for fourteen (14) claims were correct.
 - Medical payments sampled for nine (9) claims were incorrect.

◆ **Other significant issues**

- Boxes 43a (Date of Incapacity) and 43b (Date Employer Notified) of the WCB-1, Employer's First Report of Occupational Injury or Disease (FROI) must accurately reflect the date of incapacity and date that the employer was notified of the incapacity.
 - Incorrect dates and/or misleading information was reported in Boxes 43a and/or 43b of the FROIs that were filed for five (5) claims.
- Boxes 23a (Date of Incapacity) and 23b (Date Employer Notified) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date of incapacity and date that the employer was notified of the incapacity. Note: the Date of Incapacity reported in Box 23a and the Date Employer Notified in Box 23b must equal the Date of Incapacity (DN56) and Date Employer Notified (DN281) reported in box 43 of the WCB-1, Employer's First Report of Occupational Injury or Disease (First Report). See the Board's Forms and Petitions Manual.
 - Incorrect dates and/or misleading information was reported in Boxes 23a and/or 23b of the MOPs that were filed for eight (8) claims.
- Box 24 (Date Check Mailed) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date that the initial indemnity payment (for the incapacity addressed by the MOP) is sent to the employee. See the Board's Forms and Petitions Manual.
 - Incorrect dates and/or misleading information was reported in Box 24 of the MOPs that were filed for five (5) claims.
- Box 28 or Box 22 (as of 2013) (First Day Of Compensability After Waiting Period Is Met) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date of the first compensable day that follows the completion of the 7-day waiting period. See the Board's Forms and Petitions Manual.
 - Incorrect dates and/or misleading information was reported in Box 28 or 22 of the MOPs that were filed for twenty-two (22) claims.
- Box 19b (To (Return Date)) of the WCB-4, Discontinuance or Modification of Compensation must accurately reflect the date the incapacity ended. See Board's Forms and Petitions Manual.
 - Incorrect dates and/or misleading information was reported in Box 19b of the WCB-4, Discontinuance or Modification of Compensation forms that were filed for eighteen (18) claims.
- Except for an injured employee who was employed seasonally as defined by Title 39-A Section 102(4)(C), the WCB-2, Wage Statement must include the employer's payroll week ending dates and the employee's corresponding gross earnings for the prior year, where week 52 is the payroll week that includes the date of injury. See the Board's Forms and Petitions Manual.
 - The gross earnings for the payroll week ending prior to the date of injury was reported as week 52 on the WCB-2, Wage Statements filed for two (2) claims.

PENALTIES

◆ Penalties payable to providers and/or injured employees

Title 39-A M.R.S.A. Section 205(3)

“When there is not an ongoing dispute, if weekly compensation benefits or accrued weekly benefits are not paid within thirty (30) days after becoming due and payable, \$50 per day must be added and paid to the worker for each day over thirty (30) days in which the benefits are not paid. Not more than \$1,500 in total may be added pursuant to this subsection. For purposes of ratemaking, daily charges paid under this subsection do not constitute elements of loss.”

Delays of initial indemnity payments, subject to penalty under Section 205(3), were found on the following claims:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Donna Chessman vs. Crane & Co. Date of Injury: 6/13/13 Date ER Notified of Incapacity: 6/13/13 Claim # 55C071252 Board # 13012443	No NOC was filed, and the initial indemnity payment was made 9/6/13, which was 71 days after compensation became due and payable (6/27/13).	\$1,500.00*
Ashley Hovey vs. Books-A-Million Date of Injury: 1/19/13 Date ER Notified of Incapacity: 2/6/13 Claim # 55C063526 Board # 13009103	No NOC was filed, and the initial indemnity payment was made 7/25/13, which was 155 days after compensation became due and payable (2/20/13).	\$1,500.00*
Tim Watson vs. Johnson Outdoors, Inc. Date of Injury: 2/15/12 Date ER Notified of Incapacity: 2/23/12 Claim # 51C959433 Board # 12008541	No NOC was filed, and the initial indemnity payment was made 4/19/12, which was 42 days after compensation became due and payable (3/8/12).	\$600.00*
Devin Webster vs. Mid Maine Marine & RV Date of Injury: 9/18/13 Date ER Notified of Incapacity: 9/18/13 Claim # 55C089862 Board # 13021257	No NOC was filed, and the initial indemnity payment was made 11/7/13, which was 36 days after compensation became due and payable (10/2/13).	\$300.00*
Total Penalties to Injured Employees for Delays of Initial Indemnity Payments		\$3,900.00

* Paid.

Delays of “other” indemnity payments, subject to penalty under Section 205(3), were found on the following claims:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Carl Frost vs. Southworth-Milton, Inc. Date of Injury: 5/3/12 Date ER Notified of Incapacity: 5/4/12 Claim # 51C964128 Board # 12011086	The claimant was totally incapacitated from 5/4/12 through 6/24/12. Payment for one (1) day of that incapacity (5/4/12) was made 8/14/15, which was 1,132 days after compensation became due and payable (7/8/12).	\$1,500.00
Peter Walker vs. ASM America, Inc. Date of Injury: 5/24/13 Date ER Notified of Incapacity: 5/25/13 Claim # 55C068016 Board # 13012403	Benefits were not increased to the Maximum Benefit Level effective 7/1/13 until 8/14/15, which was 760 days after compensation became due and payable (7/15/13).	\$1,500.00
Total Penalties to Injured Employees for Delays of “Other” Indemnity Payments		\$3,000.00

◆ **Penalties payable to injured employees and the Workers’ Compensation Board Administrative Fund**

Title 39-A M.R.S.A. Section 324(2)(A)

“Except as otherwise provided by Section 205, if an employer or insurance carrier fails to pay compensation as provided in this section, the Board may assess against the employer or insurance carrier a forfeiture of up to \$200 for each day of noncompliance.”

A violation subject to penalty under Section 324(2) was found on the following claim:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Leonard Martin vs. Johnson Outdoors, Inc. Date of Injury: 2/3/12 Date ER Notified of Incapacity: 2/3/12 Claim # 51C950355 Board # 12003271	Incapacity benefits were paid 6/26/12, which was 19 days after the date of the corresponding provisional order signed 6/7/12.	\$1,800.00
Total		\$1,800.00

◆ **Penalties payable to the State General Fund**

Title 39-A M.R.S.A. Section 359(2)

“In addition to any other penalty assessment permitted under this Act, the Board may assess civil penalties not to exceed \$25,000 upon finding, after hearing, that an employer, insurer or 3rd-party administrator for an employer has engaged in a pattern of questionable claims-handling techniques or repeated unreasonably contested claims. The Board shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt. This certification by the Board is exempt from the provisions of the Maine Administrative Procedure Act. The amount of any penalty assessed pursuant to this subsection must be directly related to the severity of the pattern of questionable claims-handling techniques or repeated unreasonably contested claims. All penalties collected pursuant to this subsection shall inure to the benefit of the General Fund. An insurance carrier’s payment of any penalty assessed under this section may not be considered an element of loss for the purpose of establishing rates for workers' compensation insurance.”

- The Board may refer Sentry to the Abuse Investigation Unit to pursue penalties under Section 359(2) for the following reasons (including, but not limited to):
 - Failure to file or timely file forms with the Board
 - Failure to pay or timely pay benefits
 - Failure to pay benefits accurately
- **Penalty exposure: \$25,000.00**

Title 39-A M.R.S.A. Section 360(1)(A)

“The Board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete any report or form required by this Act or rules adopted under this Act.”

Violations subject to penalty under Section 360(1)(A) were found on the following claims:

Employee	Date of Injury	Forms Not Filed	Penalty Exposure
	9/23/13	WCB-11, Statement of Compensation Paid	\$100.00
	6/25/13	WCB-11, Statement of Compensation Paid	\$100.00
	1/5/12	WCB-11, Statement of Compensation Paid	\$100.00
	5/31/12	WCB-11, Statement of Compensation Paid	\$100.00
	6/13/13	WCB-11, Statement of Compensation Paid	\$100.00
	5/14/12	WCB-11, Statement of Compensation Paid	\$100.00
	7/5/13	WCB-11, Statement of Compensation Paid	\$100.00
	2/5/13	WCB-11, Statement of Compensation Paid	\$100.00
	5/3/12	WCB-11, Statement of Compensation Paid (2)	\$200.00
	2/3/12	WCB-11, Statement of Compensation Paid	\$100.00
	1/20/12	WCB-11, Statement of Compensation Paid	\$100.00
	5/12/13	WCB-11, Statement of Compensation Paid	\$100.00
	5/6/13	WCB-11, Statement of Compensation Paid	\$100.00
	2/15/12	WCB-11, Statement of Compensation Paid	\$100.00
	4/24/14	WCB-11, Statement of Compensation Paid	\$100.00
	9/18/13	WCB-11, Statement of Compensation Paid	\$100.00
TOTAL			\$1,700.00

Title 39-A M.R.S.A. Section 360(1)(B)

“The Board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete such a report or form within the time limits specified in this Act or rules adopted under this Act.”

Violations subject to penalty under Section 360(1)(B) were found on the following claims:

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	9/23/13	WCB-4, Discontinuance or Modification of Compensation	\$100.00
	6/25/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment (2)	\$200.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	1/5/12	WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	7/2/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment (2)	\$200.00
		WCB-4, Discontinuance or Modification of Compensation (3)	\$300.00
	5/31/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (3)	\$300.00
		WCB-11, Statement of Compensation Paid	\$100.00
	8/27/13	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	6/13/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	5/14/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-3, Memorandum of Payment (2)	\$200.00
		WCB-4, Discontinuance or Modification of Compensation (6)	\$600.00
		WCB-11, Statement of Compensation Paid (2)	\$200.00
	1/28/14	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	7/5/13	WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	3/12/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	8/21/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
	6/20/14	WCB-4, Discontinuance or Modification of Compensation	\$100.00
	3/5/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-9, Notice of Controversy	\$100.00
	2/5/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	1/14/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
		WCB-9, Notice of Controversy	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	5/3/12	WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
	12/2/13	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	2/6/14	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*

		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
	2/6/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	1/19/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
	5/15/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-11, Statement of Compensation Paid (2)	\$200.00
	6/1/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
	2/3/12	WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	10/9/13	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	7/17/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (7)	\$700.00
		WCB-11, Statement of Compensation Paid (2)	\$200.00
	4/5/12	WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	1/20/12	WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	5/12/13	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	5/6/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
	4/4/13	WCB-3, Memorandum of Payment	\$100.00
	5/24/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-4, Discontinuance or Modification of Compensation (2)	\$200.00
	2/15/12	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
	4/24/14	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
	9/18/13	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or Modification of Compensation	\$100.00
TOTAL			\$14,400.00

*Paid AIU

Title 39-A M.R.S.A. Section 360(2)

“The Board may assess, after hearing, a civil penalty in an amount not to exceed \$1,000 for an individual and \$10,000 for a corporation, partnership or other legal entity for any willful violation of this Act, fraud or intentional misrepresentation. The Board may also require that person to repay any compensation received through a violation of this Act, fraud or intentional misrepresentation or to pay any compensation withheld through a violation of this Act, fraud or misrepresentation, with interest at the rate of 10% per year.”

- No action will be taken at this time.

To avoid future penalty referral(s) under Section 360(2) and/or 359(2), Sentry must take corrective measures to address the following inadequacies:

- Failure to file or timely file forms with the Board
- Failure to pay or timely pay benefits
- Failure to pay benefits accurately

COMPLIANCE TABLES

◆ Form Filing

A. First Report of Occupational Injury or Disease (WCB-1)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	15	41%
Late		20	54%
Not Filed		2	5%
Total		37	100%

B. Wage Statement (WCB-2)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	22	61%
Late		13	36%
Not Filed		1	3%
Total		36	100%

C. Schedule of Dependent(s) and Filing Status Statement (WCB-2A)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	2	15%
Late		11	85%
Total		13	100%

D. Fringe Benefits Worksheet (WCB-2B)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	9	41%
Late		12	55%
Not Filed		1	4%
Total		22	100%

E. Memorandum of Payment (WCB-3 or WCB-4A)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	22	50%
Late		17	39%
Not Filed		5	11%
<hr/>			
Total		44	100%

F. Discontinuance or Modification of Compensation (WCB-4 or WCB-4A)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	11	19%
Late		17	29%
Not Filed		30	52%
<hr/>			
Total		58	100%

G. Certificate of Discontinuance or Reduction of Compensation (WCB-8 or WCB-4A)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	3	75%
Not Filed		1	25%
<hr/>			
Total		4	100%

H. Notice of Controversy (WCB-9)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	5	63%
Late		3	37%
<hr/>			
Total		8	100%

I. Statement of Compensation Paid (WCB-11)

		2012-2014	
		Number	Percent
Received at the Board:			
Filed	Compliant	25	45%
Late		13	24%
Not Filed		17	31%
<hr/>			
Total		55	100%
		<hr/>	

◆ **Timeliness of Benefit Payments**

J. Initial Payment of Indemnity Benefits

			2012-2014	
			Number	Percent
Check Issued Within:				
0-14	Days	Compliant	37	77%
15-44	Days		6	13%
45+	Days		5	10%
Total			48	100%

K. Subsequent Payment of Indemnity Benefits

			2012-2014	
			Number	Percent
Check Issued Within:				
0-7	Days	Compliant	482	91%
8-37	Days		49	9%
Total			531	100%

L. Medical Payments

			2012-2014	
			Number	Percent
Check Issued Within:				
0-30	Days	Compliant	60	100%
Total			60	100%

M. Payment of Approved Agreements, Orders, Decisions

			2012-2014	
			Number	Percent
Check Issued Within:				
0-10	Days	Compliant	6	86%
10 +	Days		1	14%
Total			7	100%

◆ **Accuracy of Indemnity Payments**

N. Average Weekly Wage

		2012-2014	
		Number	Percent
Calculated:			
Correct	Compliant	23	62%
Incorrect		14	38%
<hr/>			
Total		37	100%
		<hr/>	

O. Weekly Compensation Rate

		2012-2014	
		Number	Percent
Calculated:			
Correct	Compliant	17	46%
Incorrect		20	54%
<hr/>			
Total		37	100%
		<hr/>	

P. Partial Benefits

		2012-2014	
		Number	Percent
Calculated:			
Correct	Compliant	0	0%
Incorrect		8	100%
<hr/>			
Total		8	100%
		<hr/>	

Q. Amount Paid

		2012-2014	
		Number	Percent
Calculated:			
Correct	Compliant	0	0%
Underpaid		17	46%
Overpaid		20	54%
<hr/>			
Total		37	100%
		<hr/>	

◆ Accuracy of Medical Payments

R. Amount Paid

		2012-2014	
		Number	Percent
Calculated:			
Correct	Compliant	14	61%
Incorrect		9	39%
Total		23	100%