

IN RE:

WAUSAU BUSINESS INSURANCE CO.

WAUSAU UNDERWRITERS INSURANCE CO.

EMPLOYERS INSURANCE OF WAUSAU

Docket No. INS-11-212

LIBERTY MUTUAL INSURANCE CO.

LIBERTY MUTUAL FIRE INSURANCE CO.

LIBERTY INSURANCE CORP.

THE FIRST LIBERTY INSURANCE CORP.

LM INSURANCE CORP.

HELMSMAN MANAGEMENT SERVICES, INC.

Docket No. INS-11-213

CONSENT AGREEMENT

THIS CONSENT AGREEMENT is entered into by and among LIBERTY MUTUAL INSURANCE CO., LIBERTY MUTUAL FIRE INSURANCE CO., LIBERTY INSURANCE CORP., THE FIRST LIBERTY INSURANCE CORP., LM INSURANCE CORP., HELMSMAN MANAGEMENT SERVICES, INC., WAUSAU BUSINESS INSURANCE CO., WAUSAU UNDERWRITERS INSURANCE CO., AND EMPLOYERS INSURANCE OF WAUSAU, each of which is a subsidiary of Liberty Mutual Group (collectively, the "Companies" or "Liberty Mutual Group"; individually, a "Company"), the MAINE SUPERINTENDENT OF INSURANCE (the "Superintendent"), and the OFFICE OF THE MAINE ATTORNEY GENERAL (the "Attorney General"). Its purpose is to bring to a halt, without resort to an adjudicatory proceeding, violations of 39-A M.R.S.A. §359(2) certified to the Superintendent by the Maine Workers' Compensation Board (the "Board") pursuant to that provision.

I

STIPULATIONS

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations.
2. Each Company is organized and domiciled, and is licensed to do business in Maine, as follows:

Name of Company	Domicile	NAIC Code	Maine License Number	Date of First Maine License
Liberty Mutual Insurance Co.	N.H.	23043	PCF331	12/20/1917
Liberty Mutual Fire Insurance Co.	Mass.	23035	PCF330	12/15/1949
Liberty Insurance Corp.	Ill.	42404	PCF999	12/16/1988
The First Liberty Insurance Corp.	Ill.	33588	PCF31779	12/27/1990
LM Insurance Corp.	Ill.	33600	PCF31778	12/27/1990
Helmsman Management Services Inc.	Mass.	N/A	TAF31988	12/3/1990
Wausau Business Insurance Co.	Wisc.	26069	PCF47449	10/3/1996
Wausau Underwriters Insurance Co.	Wisc.	26042	PCF833	12/31/1979
Employers Insurance of Wausau	Wisc.	21458	PCF434	10/1/1966

All of the above companies except Helmsman Management Services Inc. (“Helmsman”) are licensed as insurers with authority to insure employers for claims arising under the Maine Workers’ Compensation Act of 1992, M.R.S.A. Title 39-A, as amended, and regulations of the Board issued thereunder (the “WCA”). Helmsman is licensed as a Third Party Administrator, with authority to administer such claims on behalf of insurers.

3. The Board’s Monitoring Audit & Enforcement Division (the “MAE Division”) conducted audits of each of the Companies by examining the records of the Companies with respect to claims filed under the WCA as follows:

The Liberty Companies

- (1) The Board examined claims processed by Liberty Mutual, Liberty Fire Insurance Company, Liberty Insurance Corp., The First Liberty Insurance Corp., LM Insurance Corp., and Helmsman (collectively, the “Liberty Companies”) with dates of injury in 2006 for compliance with form filing, timeliness of indemnity payments and accuracy of indemnity payments.
- (2) On July 24, 2008, the Board issued a Compliance Audit Report detailing its findings (the “Liberty Report”). The Report’s findings relevant to questionable claims-handling techniques that violated 39-A M.R.S.A. §359(2) included failure to file or timely file forms with the Board, reporting incorrect and/or misleading information on Board forms, failure to distribute Board forms in accordance with Rules and Regulations, failure to pay benefits (subsequent indemnity, medical bills, and approved agreements, orders, decisions) timely, failure to pay claims accurately, and recording penalties as “elements of loss.”
- (3) In January, 2009, the Board and the Liberty Companies, in lieu of administrative hearings, entered into a consent decree (the “Consent Decree”) in which they agreed that they had “engaged in a pattern of questionable claims-handling techniques in violation of Section §359(2)” of the WCA based on the practices described in subparagraph (2) above. On February 6, 2009, the Board certified these findings to the Superintendent as required by 39-A M.R.S.A. §359(2), issuing separate certifications for (a) the Liberty Companies and (b) Helmsman.

- (4) As a condition of executing the Consent Decree for violations of 39-A M.R.S.A. §359(2), Liberty Mutual Group paid a civil penalty of Ten Thousand Dollars (\$10,000.00).

In accordance with the findings of the Liberty Report and the Consent Decree entered into with the Board, the Liberty Companies have made efforts to comply with Maine law concerning claims payment in Maine. Specifically, each team manager completes a quality control review on regularly scheduled dates to ensure timely reporting. The team manager reviewing each case confirms that a thorough and full investigation is completed, that the Company is properly paying benefits or denying the file, that reserves are appropriate, and that proper formwork is filed. Once the review is completed a journal entry is posted to the system of record. Finally, an audit tracking form is completed for reporting purposes.

The Wausau Companies

- (1) The Board examined claims processed by Wausau Business Insurance Company, Wausau Underwriters Insurance Company, and Employers Insurance of Wausau (collectively, the "Wausau Companies") with dates of injury in 2006 for compliance with form filing, timeliness of indemnity payments and accuracy of indemnity payments.
- (2) On July 24, 2008, the Board issued a Compliance Audit Report detailing its findings (the "Wausau Report"). The Report's findings relevant to questionable claims-handling techniques that violated 39-A M.R.S.A. §359(2) included failure to correct issues of non-compliance revealed/discussed in previous audit, failure to file or timely file forms with the Board, reporting incorrect and/or misleading information on Board forms, failure to distribute Board forms in accordance with Rules and Regulations, failure to pay benefits timely, and failure to pay claims accurately.
- (3) In February, 2009, the Board and the Wausau Companies, in lieu of administrative hearings, entered into a consent decree (the "Consent Decree") in which they agreed that they had "engaged in a pattern of questionable claims-handling techniques in violation of Section §359(2)" of the WCA based on the practices described in subparagraph (2) above.
- (4) On February 6, 2009, the Board certified these findings to the Superintendent as required by 39-A M.R.S.A. §359(2).
- (5) As a condition of executing the Consent Decree for violations of 39-A M.R.S.A. §359(2), the Wausau Companies paid a civil penalty of Five Thousand Dollars (\$5,000.00).
- (6) In accordance with the findings of the Wausau Report and the consent decrees entered into with the Board, the Wausau Companies have made efforts to comply with Maine law concerning claims payment in Maine. Specifically, each team manager completes a quality control review at regularly scheduled dates to ensure timely reporting. The team manager reviewing each case confirms that a thorough and full investigation is completed, that the Company is properly paying benefits or denying the file, that reserves are appropriate, and that proper formwork is filed. Once the review is

completed a journal entry is posted to the system of record. Finally, an audit tracking form is completed for reporting purposes.

4. The Companies have represented to the Superintendent that, since the time of the Compliance Audit Reports described above, they have adjusted well over 1,100 indemnity claims.

II

MAINE LAW

5. 39-A M.R.S.A. §359(2) provides in part that:

[T]he [workers' compensation] board ... 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 ... shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt.

III

CONCLUSIONS OF LAW

6. Each of the Liberty Companies and the Wausau Companies violated 39-A M.R.S.A. §359(2) by engaging in a pattern of questionable claims-handling techniques through February 6, 2009.
7. The Superintendent is required, pursuant to the Board's February 6, 2009 certifications of its findings that the Companies engaged in a pattern of questionable claims-handling techniques, to take appropriate action to bring those practices to a halt.

IV

COVENANTS

8. The Companies shall comply with each provision of this Agreement. However, the Companies may, unless otherwise provided herein, act as a group to comply with any affirmative obligation under this Agreement, including delivering to the Superintendent the reports and certifications pursuant to paragraphs 10 and 11, provided that (a) each Company shall take all necessary steps to authorize any group action on its behalf, and (b) all Companies wishing to act as a group remain affiliated with each other. Each Company acknowledges and agrees that a breach of this Agreement resulting from any group action shall constitute an individual breach of this Agreement by each Company.
9. Each of the Companies shall bring to a halt the pattern of questionable claims-handling techniques as set forth in this Agreement.
10. Within thirty (30) days after executing this Agreement, the Companies shall adopt, and deliver to the Superintendent for approval, with a copy to the WCB Deputy Director, MAE Division, written procedures that detail the manner in which all claims for

indemnity benefits under the WCA will be paid in compliance with Maine law.

At a minimum, such procedures must include plans for:

- a. improving compliance to meet the benchmarks set forth in Exhibit A;
- b. hiring and retaining supervisory and front-line staff experienced in handling workers' compensation claims in Maine;
- c. training in-house claims personnel on the provisions of the WCA concerning derivation of benefit levels from average weekly wages and accuracy of indemnity payments;
- d. encouraging employers' cooperation in meeting the reporting requirements of the WCA;
- e. maintaining claims payment standards through ongoing staff and third-party administrator education and supervision;
- f. implementing adequate claim review procedures, to include monitoring the accuracy and timeliness of WCB form filings and indemnity payments; and
- g. auditing, on at least a quarterly basis, a random sample of indemnity claims designated by the Bureau (the "Quarterly Self-Audit Report").

The Companies shall deliver to the Superintendent, with a copy to the WCB Deputy Director, MAE Division, the results of the audits referred to in subparagraph (g) for four (4) successive calendar quarters starting with the fourth quarter of 2012. The Companies shall, within ten (10) days following the end of the quarter, submit to the Bureau an electronic spreadsheet listing, by individual adjuster, all "lost time" claims in excess of the statutory waiting period, excluding those discharged under 39-A M.R.S.A. §352 for the purpose of allowing the Bureau to designate a statistically valid random sample of claims in accordance with NAIC market conduct examination standards to produce a 95% confidence level and a 5% upper error limit to measure compliance with the benchmarks set forth in Exhibit A. The Companies shall deliver each Quarterly Self-Audit Report within thirty (30) days of receiving the Bureau's designation of the sample as provided above. Within forty-five (45) days thereafter, the Superintendent may call a meeting with the Companies to discuss any concerns he may have with the Companies' claims performance during the period covered by such audit report. Failure to call any such meeting shall not waive any of the Superintendent's or the Attorney General's rights under this Agreement. Also within the aforementioned forty-five (45) days, the Superintendent may require the Companies to perform an expanded audit for that quarterly reporting period based upon Company performance with the benchmarks set forth in Exhibit A.

The Companies shall deliver with the fourth and final Quarterly Self-Audit Report, a certification in the form attached as Exhibit B, attesting to the accuracy of all claims performance audit information required under this Agreement. The Companies shall also deliver, upon the Superintendent's or the WCB Deputy Director's request, any and all

work papers and non-privileged documents, in any format, in its possession, custody or control, related to any Quarterly Self-Audit Report.

This paragraph shall not apply to any claims that are subject to the audit described in paragraph 11, to any claims that are presented to any Company or third-party administrator working on behalf of a Company that were previously audited by the Board and subsequently corrected by the Company or third-party administrator, or to such portion of a claim otherwise subject to this paragraph that was administered by an insurer or third-party administrator other than a Company subject to this Consent Agreement.

In the event that a claim that was administered in part by an insurer or third-party administrator other than a Company is selected to be audited pursuant to this paragraph, the Companies shall make all reasonable efforts to locate any documentation created by the prior insurer or third-party administrator ("Prior Documentation") necessary to review that portion of the claim for which a Company is responsible. Such efforts shall include requesting any necessary Prior Documentation that may have been filed with the WCB. The review shall include the Prior Documentation that the Companies do locate. In the event the Companies are unable to locate any such Prior Documentation necessary to review the claim for compliance with one or more of the categories listed in Exhibit A, they shall indicate on the relevant Quarterly Self-Audit Reports each category for which necessary Prior Documentation was determined to be unavailable. Subject to the Superintendent's satisfaction that the Companies lack, and made all reasonable efforts to obtain, the necessary Prior Documentation, the Superintendent shall exclude such claims in calculating the Companies' compliance with the relevant benchmark for that category.

11. The Liberty and Wausau Companies shall, for the period starting January 1, 2007 and ending as of the effective date of this Agreement:
 - a. submit to the Bureau of Insurance within thirty (30) days of the execution of this Agreement, an electronic spreadsheet listing all "lost time" claims in excess of the statutory waiting period for claims adjusted after January 1, 2007, excluding those discharged under 39-A M.R.S.A. §352 and those with dates of injury before January 1, 1993, for the purpose of allowing the Bureau to designate a statistically valid random sample of claims, (the "Designated Claims"), for further review by the Companies;
 - b. review the Designated Claims, the incapacity periods, and indemnity benefits, penalties and interest originally paid thereon;
 - c. recalculate the benefits, penalties, and interest to ensure their compliance with the WCA;
 - d. pay to the appropriate claimants any deficiencies, with the penalties and interest provided for in the WCA, and file with the Board such related forms as the WCA requires; and
 - e. deliver to the Superintendent, with a copy to the WCB Deputy Director, MAE Division, by the date the Companies must deliver the fourth and final Quarterly Self-Audit Report, an electronic spreadsheet report viewable in Microsoft Excel

listing each claim so reviewed (the "Look-Back Report"). The Look-Back Report shall contain the following data, safeguarded in accordance with the WCA, for each Designated Claim:

- i. the Board number, if known;
- ii. the claimant's Social Security number (general format/no dashes);
- iii. the claimant's last and first name (in that order);
- iv. the date of injury;
- v. Company name and claim file number; the incapacity periods;
- vi. the amount of indemnity originally paid;
- vii. whether or not the claim was settled under 39-A M.R.S.A. §352 (Y or N) and the date of such settlement;
- viii. the amount of additional indemnity paid after review;
- ix. the amount of penalties paid after review;
- x. the amount of interest paid as provided by the WCA after review;
- xi. the amount of overpayment upon review; and
- xii. the name of the person conducting the review.

The Companies shall deliver with the Look-Back Report a certification attesting to the accuracy of all information in the report, in the form attached as Exhibit B.

This paragraph shall not apply to any claims that are subject to the audits described in paragraph 10, to any claims that have been discharged under 39-A M.R.S.A §352, to any claims that were previously presented to any Company or third-party administrator working on behalf of a Company that were previously audited by the Board and subsequently corrected by the Company or third-party administrator, or to such portion of a claim otherwise subject to this paragraph that was administered by an insurer or third-party administrator other than a Company subject to this Consent Agreement.

In the event that a claim that was administered in part by an insurer or third-party administrator other than a Company is selected to be audited pursuant to this paragraph, the Companies shall make all reasonable efforts to locate any documentation created by the prior insurer or third-party administrator ("Prior Documentation") necessary to review that portion of the claim for which a Company is responsible. Such efforts shall include requesting any necessary Prior Documentation that may have been filed with the WCB. The review shall include the Prior Documentation that the Companies do locate. In the event the Companies are unable to locate any such Prior Documentation necessary to comply with subsection (c) of this paragraph, they shall so indicate on the Look-Back Report. Subject to the Superintendent's satisfaction that the Companies lack, and made

all reasonable efforts to obtain, the necessary Prior Documentation, the Superintendent shall exclude such claims in calculating the Companies' compliance with the benchmark stated in Paragraph 12(b).

12. Should the Superintendent, in his sole and absolute discretion, determine, within nine (9) months after receiving the (i) fourth and final Quarterly Self-Audit Report and (ii) Look-Back Report, that the Liberty and Wausau Companies:
 - a. on an aggregate basis, did not meet or exceed on average the benefit payment and form filing the benchmarks in Exhibit A during the self-audit review period described in paragraph 10, then the Companies shall, pursuant to the instructions below, collectively deliver a civil penalty to be determined at the sole and absolute discretion of the Superintendent but not exceeding Forty Thousand Dollars (\$40,000.00), within thirty (30) days of receiving the determination; or
 - b. failed to correct deficiencies in indemnity payments as required by paragraph 11(c) (including payment of interest and penalties provided for in the WCA), or as may be further required pursuant to paragraph 13, resulting in compliance with the WCA in less than 93 percent of claims required to be reviewed pursuant to those paragraphs, then the applicable Companies shall, pursuant to the instructions below, collectively deliver a civil penalty to be determined at the sole and absolute discretion of the Superintendent but not exceeding Fifteen Thousand Dollars (\$15,000.00) within thirty (30) days of receiving the determination.

In determining whether the Companies met or exceeded the benchmarks in Exhibit A for purposes of subsection (a) above, the Superintendent, upon the Companies' furnishing of substantiating documentation satisfactory to the Superintendent, shall not consider for purposes of calculating compliance with the relevant benchmark that portion of a delay caused by an employer, for which the employer could be penalized pursuant to 39-A M.R.S. §205(5), provided that the Companies shall have demonstrated to the Superintendent's satisfaction their compliance with paragraph 10(d) of this Agreement.

Each Company agrees that (i) any civil penalties assessed under subsection (a) or (b) above will have resulted from its continued failure through the delivery date of the fourth and final Quarterly Self-Adult Report and the Look-Back Report, to halt the pattern of questionable claims-handling techniques established by the Consent Decree, (ii) in declaring the Civil Penalty due, the Superintendent may rely on the Quarterly Self-Audit Reports and the Look-Back Report as conclusive evidence of the fact and extent of such failure, and (iii) the amount of this penalty will not limit further measures, penalties or remedies that the Superintendent or the Attorney General may impose or seek under paragraph 23 below.

13. Should the Superintendent, in his sole and absolute discretion, determine, within nine (9) months after receiving the Look-Back Report, that the Liberty and Wausau Companies, for any calendar year for which Designated Claims were reviewed, failed to achieve a 93% compliance rate in (a) accurately calculating average weekly wage, (b) accurately calculating weekly compensation rate, (c) accurately calculating partial benefits, or (d) accurately calculating indemnity, he may, in his sole and absolute discretion, require the

Companies to conduct an expanded review of claims paid in any or all of the calendar years in which the Companies were noncompliant—up to and including a review of all Maine claims paid by the Companies during the Look-Back period—for the specific purpose of identifying and correcting inaccurate payments to claimants.

Should the Superintendent order such an expanded review, the Companies shall complete the review within the time specified by the Superintendent, which shall be no less than three (3) months, and shall, upon completion of the review, submit a report to the Superintendent setting forth the process employed to conduct the review and the results of the review, and shall provide, upon the Superintendent's request, any additional documentation necessary for the Superintendent to verify that the review was properly completed.

14. The Companies shall pay, as provided by law, the Superintendent's reasonable costs and expenses of monitoring their compliance with, and enforcing the Companies' obligations under, this Agreement. The Companies shall be jointly and severally liable for these costs and expenses.
15. The Companies shall not recoup any payments of refunds, interest, or civil penalties made under this Agreement or any costs associated with complying with this Agreement in any future rate adjustments.

V

MISCELLANEOUS

16. Any action that this Agreement permits the Superintendent to take may be taken against all or any of the Companies.
17. The Companies waive any:
 - a. hearing rights arising from this Agreement;
 - b. objection to any action that may be taken by the Superintendent pursuant to this Agreement, including imposition of the penalty specified in paragraph 12 and agree they will make no appeal from this agreement; and
 - c. objection to the Board's release to the Superintendent and the Attorney General of Board "audit working papers," as defined in section 153 of the WCA, related to any audit of any Company and, in connection with this waiver, to the use of such papers by the Superintendent and the Attorney General for purposes related to the implementation and enforcement of this Agreement.
18. Nothing in this agreement prohibits the Companies from requesting the Superintendent to reconsider any exercise of his discretion under this Consent Agreement. The Companies acknowledge and agree, however, that their waiver of hearing rights in paragraph 17(a) above and their appeal rights in paragraph 17(b) includes any right to a hearing or appeal based on the Superintendent's denial of (or failure to act upon) any such request.
19. The Companies acknowledge that this Agreement is a public record within the meaning

of 1 M.R.S.A. §402 and will be available for public inspection and copying as provided for by 1 M.R.S.A. §408, and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

20. The Companies have been advised of their right to consult with counsel and have, in fact, consulted with counsel before executing this Agreement.
21. This Agreement does not bind any person or entity not a party to this Agreement, or limit the Superintendent's ability to seek any available legal remedy for any violations of the WCA or the Maine Insurance Code against any Company affiliate or subsidiary not a party to this Agreement or against any entity from which any Company obtains WCA claims administrator services.
22. Nothing in this Agreement shall limit the ability of the Superintendent, in his sole and absolute discretion, in order to determine whether any Company has brought to a halt all violations of 39-A M.R.S.A. §359(2) established by the Consent Decree, to investigate the:
 - a. handling of any of the Wausau Companies' and the Liberty Companies' indemnity claims having dates of injury after January 1, 2007;
 - b. accuracy of the self-audit quarterly review described in paragraph 10; or
 - c. accuracy of the indemnity claim review described in paragraph 11.
23. The purpose of the self-audit quarterly review described in paragraph 10 and the indemnity claim review described in paragraph 11 is to bring to a halt the violations established by the Consent Decree. Therefore, in consideration of the Companies' execution of this Agreement, the Superintendent shall not pursue civil penalties, disciplinary measures or other civil or administrative sanctions, other than those agreed to herein, for violations established by the Consent Agreement that continue through the period of the paragraph 10 and paragraph 11 reviews up to and including the date of execution of this agreement. However, the Superintendent may pursue any available legal remedy, including without limitation imposition of additional civil penalties and the limitation, suspension or revocation of workers' compensation authorities issued to any Company by the Superintendent should any Company:
 - a. engage in conduct that violates 39-A M.R.S.A. §359(2) after the period of the paragraph 10 and paragraph 11 reviews; or
 - b. violate any provision of this Agreement other than as described in subsections (a) and (b) of paragraph 12; or
 - c. otherwise violate Maine law.
24. The effective date of this Agreement is the date entered in the Superintendent's signature line below.
25. This Agreement may be modified only by the written consent of all parties.

Dated: 10/3, 2012

WAUSAU BUSINESS INSURANCE CO.

By: Charles B. Lynch

Its: Charles B. Lynch, R.V.P.
Printed Name and Title

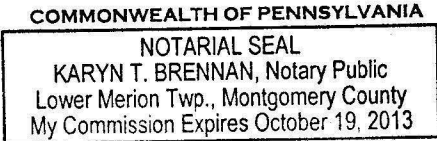
Subscribed and sworn to before me this 3rd day of October, 2012.

Karyn T Brennan

Notary Public
Karyn T Brennan

Printed name
October 19, 2013

Date commission expires



Dated: 10/3, 2012

WAUSAU UNDERWRITERS INSURANCE CO.

By: Charles B. Lynch

Its: Charles B. Lynch, R.V.P.
Printed Name and Title

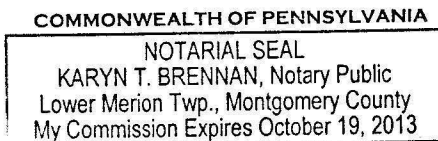
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Karyn T Brennan

Notary Public
Karyn T. Brennan

Printed name
October 19, 2013

Date commission expires



Dated: 10/3, 2012

EMPLOYERS INSURANCE OF WAUSAU

By: Charles B. Lynch

Its: Charles B. Lynch, R.V.P.
Printed Name and Title

Subscribed and sworn to before me this 3rd day of October, 2012.

Karyn T. Brennan

Notary Public

Karyn T. Brennan

Printed name

October 19, 2013

Date commission expires

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

KARYN T. BRENNAN, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires October 19, 2013

Dated: 10/3, 2012

LIBERTY MUTUAL INSURANCE CO.

By: Charles B. Lynch

Its: Charles B. Lynch, R.V.P.
Printed Name and Title

Subscribed and sworn to before me this 3rd day of October, 2012.

Karyn T. Brennan

Notary Public

Karyn T. Brennan

Printed name

October 19, 2013

Date commission expires

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

KARYN T. BRENNAN, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires October 19, 2013

Dated: 10/3, 2012

LIBERTY MUTUAL FIRE INSURANCE CO.

By: Charles B. Lynch

Its: Charles B. Lynch, R.V.P.
Printed Name and Title

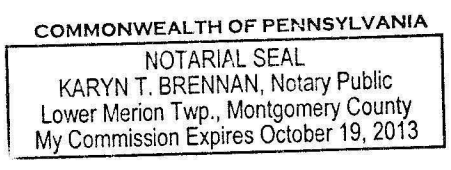
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Karyn T Brennan

Notary Public
Karyn T Brennan

Printed name
October 19, 2013

Date commission expires



Dated: 10/3, 2012

LIBERTY INSURANCE CORP.

By: Charles B. Lynch

Its: Charles B. Lynch, R.V.P.
Printed Name and Title

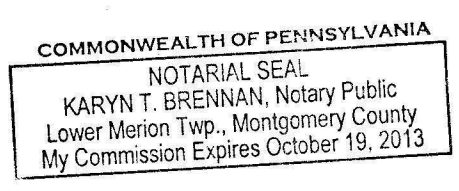
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Karyn T Brennan

Notary Public
Karyn T Brennan

Printed name
October 19, 2013

Date commission expires



Dated: 10/3, 2012

THE FIRST LIBERTY INSURANCE CORP.

By: Charles B. Lynch

Its: Charles B. Lynch, R.D.P.
Printed Name and Title

Subscribed and sworn to before me this 3rd day of October, 2012.

Karyn T Brennan

Notary Public

Karyn T Brennan

Printed name

October 19, 2013

Date commission expires

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

KARYN T. BRENNAN, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires October 19, 2013

Dated: 10/3, 2012

LM INSURANCE CORP.

By: Charles B. Lynch

Its: Charles B. Lynch, R.D.P.
Printed Name and Title

Subscribed and sworn to before me this 3rd day of October, 2012.

Karyn T Brennan

Notary Public

Karyn T. Brennan

Printed name

October 19, 2013

Date commission expires

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

KARYN T. BRENNAN, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires October 19, 2013

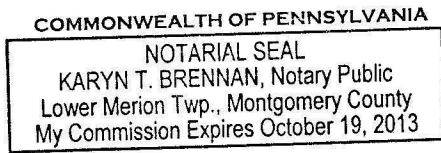
Dated: 10/3, 2012

HELMSMAN MANAGEMENT SERVICES, INC.

By: Charles B. Lynch
Its: Charles B. Lynch, R.U.P.
Printed Name and Title

Subscribed and sworn to before me this 3rd day of October, 2012.

Karyn T Brennan
Notary Public
Karyn T Brennan
Printed name
October 19, 2013
Date commission expires



Dated: Oct 12, 2012

OFFICE OF THE MAINE ATTORNEY
GENERAL

[Signature]
Jonathan R. Bolton
Assistant Attorney General

Effective
Date: Oct 12, 2012

MAINE BUREAU OF INSURANCE

[Signature]
Eric A. Cioppa
Superintendent

Exhibit A

Form of Self-Audit Worksheet

				Bench- mark (%)	FROI Timely Filed
				85 (#/#) xx%	Wage Statement (WCB-2) Filed Timely
				75	Schedule of Dependents (WCB-2A) Filed Timely
				75	MOP (WCB-3) Filed Timely
				85	Modification/Reduction (WCB-4, -4A or -8) Filed
				90	Discontinuance (WCB-4, -4A or -8) Filed
				75	NOC (WCB-9) Filed Timely
				90	Initial WCB-11 Filed Timely
				80	Annual WCB-11 Filed W/in 15 Days of Anniversary of Claim
				80	Initial TTD Timely
				87	Subsequent TTD/TPD Timely
				87	Payment of Medical Bills Timely
				80	Payment of Approved Agreements, Orders, Decisions
				90	TTD/TPD Accurate
				75	Average Weekly Wage Accurate
				80	Weekly Benefit Rate Accurate
				75	Partial Indemnity Accurate
				75	
Q4/12					
Q1/13					
Q2/13					
Q3/13					

Exhibit B

Form of Certification

WAUSAU BUSINESS INSURANCE CO.)	
)	
WAUSAU UNDERWRITERS INSURANCE)	
CO.)	
)	
EMPLOYERS INSURANCE OF WAUSAU)	
)	
Docket No. INS-11-212)	
)	
LIBERTY MUTUAL INSURANCE CO.)	AFFIDAVIT OF
)	CORPORATE OFFICER
)	
LIBERTY MUTUAL FIRE INSURANCE CO.)	
)	
LIBERTY INSURANCE CORP.)	Docket No. INS-11-212
)	Docket No. INS-11-213
)	
THE FIRST LIBERTY INSURANCE CORP.)	
)	
LM INSURANCE CORP.)	
)	
HELMSMAN MANAGEMENT SERVICES,)	
INC.)	
)	
)	
Docket No. INS-11-213)	

The undersigned, being duly sworn, says:

1. Terms used but not defined in this affidavit shall have the meanings given them in the Consent Agreement entered into between the above Companies, the Superintendent and the Attorney General under Bureau docket numbers INS-11-212 and INS-11-213.
2. I have read and understand the Consent Agreement and exhibits attached thereto.
3. I understand that the Board and Bureau may rely on the truthfulness of the information contained in and materials attached to this affidavit and that the truthfulness of this information is material to the ability of the Superintendent and the Board to evaluate the Companies' compliance with the Consent Agreement.
4. I have read the materials attached to this affidavit. They accurately and completely summarize the information contained therein, as required by [paragraph 10/paragraph 11] of the Consent Agreement.
5. I hold the position identified below and have obtained all necessary authority from each of the Companies to give this affidavit on its behalf in connection with the proceedings undertaken as Bureau Docket Nos. INS-11-212 and INS-11-213.

(name typed or printed)

(position typed or printed)

(company name typed or printed)

Acknowledgement

State of _____

County of _____

Personally appeared before me on _____, 2012, the above named _____
_____ and, being duly sworn, affirmed that this affidavit is based upon his or her personal
knowledge and is true and correct.

Before me,

Notary Public/Attorney-at-Law

[seal]

Printed Name: _____

My Commission Expires: _____