

California Association Joint Powers Authoritie coredited with Exceller

June 24, 2010

Santa Barbara County Luci Rogers, Assistant General Services Director 1 East Anapamu Street Santa Barbara, CA 93101

RE: PWC TPA Settlement Authority

Dear Luci.

Please let this serve as clarification in regard to the level of settlement authority delegated to the PWC TPAs.

The specific wording in the contract between each TPA and the EIA states that "TPA is hereby granted authority up to \$25,000 new money... to settle any claim, however, the Authority and Member must be given fifteen (15) days advance written or faxed notice of each proposed settlement". The purpose of the advanced written notice to the Authority and the Member is to provide the opportunity for either party to object to the proposed settlement. Should either party object, the settlement would not proceed as proposed. For all practical purposes, the PWC TPAs, including Corvel, do not have any settlement authority.

The TPAs are required to submit a written settlement request on a form prescribed by the EIA. The request is submitted to the Member and the EIA. Both parties must agree to the settlement proposal. Should either party have any concern about the proposed settlement, those concerns will be addressed and resolved prior to the TPA proceeding with the settlement process.

I hope this adequately clarifies the settlement authority levels and settlement process for the PWC TPAs. Please let me know if you need anything further.

Sincerely.

Workers' Compensation Claims Manager

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