

**5220.2570 DENIALS OF LIABILITY.**

Subpart 1. **Form.** When an employer or insurer denies liability for a work-related injury, it shall serve and file the documents prescribed by this part.

Subp. 2. **Denial of liability form.** A denial of primary liability under Minnesota Statutes, section 176.221, subdivision 1, except a letter denial under subpart 4 or 5, must be fully completed and on a form prescribed by the commissioner, containing substantially the following:

- A. information identifying the employee, employer, insurer, and any adjusting company;
- B. the date of the claimed injury;
- C. claim numbers or codes;
- D. the name and telephone number of the person who made the determination;
- E. a specific reason for the denial which must be in language easily readable and understandable to a person of average intelligence and education and a clear statement of the facts forming the basis for the denial. A denial which states only that the injury did not arise out of and in the course and scope of employment or that the injury was denied for lack of a medical report, for example, is not specific within the meaning of this item;
- F. a copy of a medical report or summary of any health care provider contact which forms a basis for the denial; and
- G. instructions to the employee if the employee disagrees, including the availability of rehabilitation benefits, the statute of limitations for filing a workers' compensation claim, and the address and telephone numbers of division offices the employee may contact for information.

Subp. 3. **Notice of intention to discontinue benefits.** A denial of primary liability filed more than 60 days after notice to or knowledge by the employer of a work-related injury which is required to be reported to the commissioner under Minnesota Statutes, section 176.231, subdivision 1, and for which benefits are being paid must be made by a notice of intention to discontinue benefits under part 5220.2630 and must clearly indicate that its purpose is to deny liability for the entire claim.

Subp. 4. **Letter denial for new period of temporary total.** A denial of liability for temporary total disability benefits for a new period of lost time due to a previous work-related injury must be in writing and include:

- A. information identifying the employee, employer, insurer, and any adjusting company;
- B. the date of the claimed injury;

- C. claim numbers or codes;
- D. the signature, name, and telephone number of the person who made the decision; and
- E. a specific reason for the denial in language easily readable and understandable to a person of average intelligence and education and a clear statement of the facts forming the basis for the denial.

Subp. 5. **Letter denial for other benefits.** A denial of liability for a portion of benefits or any other compensation where primary liability has been accepted must be in writing and include:

- A. information identifying the employee, employer, insurer, and any adjusting company;
- B. the date of the claimed injury;
- C. claim numbers or codes;
- D. the signature, name, and telephone number of the person who made the decision; and
- E. a specific reason for the denial in language easily readable and understandable to a person of average intelligence and education and a clear statement of the facts forming the basis for the denial.

Subp. 6. **Service.** The employer or insurer shall serve on the employee the form or letter under subparts 1 to 5 with any relevant medical or other reports attached and file a copy with the division.

Subp. 7. **Time for filing.** Denials of liability must be filed with the division within the following time limits:

A. Where appropriate, a denial under subpart 2 must be filed with the commissioner and served on the employee within 14 days of notice to or knowledge by the employer of an injury which is required to be reported to the commissioner under Minnesota Statutes, section 176.231, subdivision 1. Where appropriate, a denial under subpart 2 must be filed with the commissioner and served on the employee within 30 days after notice or knowledge where an extension has been requested in the event of a new period of temporary total or if payment has commenced. When payment of compensation has commenced, a denial more than 60 days after notice or knowledge must be filed under subpart 3.

B. A denial of liability under subpart 3 must be filed with the commissioner and served on the employee in accordance with part 5220.2630, subpart 4.

C. A denial of liability under subpart 4 must be filed with the commissioner and served on the employee within 14 days of notice or knowledge of a new period of lost time due to a previous work-related injury unless an extension is requested under Minnesota Statutes, section 176.221, subdivision 1.

D. A denial under subpart 5 must be filed with the commissioner and served on the employee within the time frame required by statute for the type of benefit being denied.

Subp. 8. [Repealed, 18 SR 2546]

Subp. 9. **Penalty; timeliness.** Failure to pay or deny in a timely manner may result in the assessment of the penalties in parts 5220.2770 and 5220.2790.

Subp. 10. **Penalty; frivolous denial.**

A. A frivolous denial under Minnesota Statutes, section 176.225, subdivision 1, clause (a) or (e), includes one which:

(1) does not state facts indicating that an investigation has been completed or that a good faith effort to investigate has been attempted; or

(2) states a basis which is a clearly inaccurate statement of fact or the applicable law.

B. In addition to any workers' compensation benefits due and a penalty under subpart 9, a penalty may be assessed by the division or compensation judge under parts 5220.2760 and 5220.2770 and Minnesota Statutes, sections 176.221, subdivision 3a, and 176.225, subdivision 1, for a frivolous denial.

Subp. 11. **Penalty; nonspecific denial.** A nonspecific denial as defined in subpart 2, item E; 4, item E; or 5, item E, may result in the assessment of a penalty in the amount of \$500 under Minnesota Statutes, section 176.84, subdivision 2. A penalty for a nonspecific denial may be assessed without regard to the substantive validity of the denial of benefits. A penalty under this subpart may be assessed in addition to the penalties described in subparts 9 and 10 and is payable to the commissioner for deposit in the assigned risk safety account.

**Statutory Authority:** *MS s 14.388; 175.17; 175.171; 176.129; 176.138; 176.221; 176.225; 176.231; 176.238; 176.83; 176.84*

**History:** *11 SR 1530; 18 SR 2546; 23 SR 1484; 35 SR 2015*

**Published Electronically:** *July 6, 2011*