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December 3, 2009

SENT VIA FIRST-CLASS MAIL

Doug & Carol Pavel
12257 Crackerjack Road
Whitewood, SD 57793

Re: Workers' Compensation Advisory Council

Mr. & Mrs. Pavel,

At the request of the Workers' Compensation Advisory Council, I directed the Division of Insurance to further explore the issues you brought to the Advisory Council's attention. The Division has now had an opportunity to review Acuity Mutual Insurance Company's handling of this matter and I would like to take this opportunity to share information concerning Stacy Debates and Sue Zeeveld with you.

Once Acuity became aware of the accident involving Brian, it contacted the Allaris Group and requested a Nurse Care Manager. Allaris Group then sent Stacy Debates to the hospital, where you first met her. Neither Allaris Group or Ms. Debates are licensed by the Division and neither Allaris Group nor Ms. Debates are insurance adjusters. Allaris Group is licensed by the South Dakota Department of Labor as a Certified Case Management Plan and the Department of Labor reviews those plans on an annual basis. Additionally, to perform utilization reviews for a Certified Case Management Plan Ms. Debates must be a licensed practitioner, such as a nurse, doctor, etc. This means in addition to Allaris Group being licensed by the Department of Labor, Ms. Debates also has a professional license that she must maintain. There is no contract between Acuity and Allaris Group. Acuity hires Allaris Group on as needed basis, and Allaris Group then bills Acuity for professional services once they have taken place.

The Division also explored Sue Zeeveld's activity in connection with this claim file. Soon after the accident Ms. Zeeveld was informed that you had retained an attorney. As you may be aware, once an individual has retained an attorney, it is not acceptable for an insurance company, or its employees to communicate directly with that individual. Accordingly, it does appear that Acuity and Ms. Zeeveld responded to all of the requests that your attorney made, this confirms what you had indicated in your last letter to me on November 13th.

I hope this letter provides you with some of the information you were looking for. I have asked that this issue be placed on the agenda of the next Workers' Compensation Advisory Council meeting so that the situation can be fully discussed by the Advisory Council.

Sincerely,

A handwritten signature in cursive script that reads "Merle Scheiber".

Merle Scheiber
Director
South Dakota Division of Insurance