

My name is Matt Parker and I am the owner of Parker Transfer & Storage in Sioux Falls, SD. I regret that I am unable to provide testimony in person today as I am attending the South Dakota Trucking Association's Annual meeting in Rapid City. I hope you will accept my statement in place of my presence.

Parker Transfer has operated in South Dakota for over 100 years, most of our work centers on the use of physical labor, be it carrying furniture, driving a truck or operating a pallet jack in our warehouse. As income from labor is our primary source of revenue, it has always been in our best interest to stay on top of our employees' physical condition, especially in the area of injury reporting and treatment.

At Parker Transfer it is our policy to report any injury as soon as it happens, as we believe that early reporting of claims is a cost savings to both the company and the individual. I can provide you with a great amount of anecdotal evidence of the importance of early reporting, however, I would prefer to provide you with statistics from industry leaders in the area of worker's compensation insurance. In 2004, The Hartford completed an exhaustive study of over 41,000 worker's compensation claims filed between 2000 and 2003 and determined that by delaying the report of the claim by as little as a week or 7 days, the average cost of the claim and lost labor time by increased by 25 percent in cases of back strain injuries.¹

Any delay in reporting a claim can have far reaching effects in areas of return to work, litigation costs and employee retention. On average, the probability of litigation increased by 2 percent per day past the point of injury.² Both The Hartford study and an independent study conducted by Liberty Mutual conclude that claims reported within 72 hours, regardless of type of injury are at their lowest rates in the areas of both medical costs and indemnity claims.^{3,4}

Maintaining the 3-day reporting maximum helps employers control costs by relying on a proven best practice. The 3-day maximum also forces the employee to take any on the job injury seriously and focus them on reporting, treating, rehabbing and returning to work. Allowing for increased reporting time and hoping an injury will "work itself out" is a recipe for increased medical costs, workforce downtime and costly litigation. This is why I urge you to retain the current 3-day reporting period. Thank you for your time.

¹ The High Cost of Delays: Findings on a lag-time study (Updated) by Glen Roberts Pilruzello, The Hartford Financial Services Group, April 20, 2004.

² Kemper Insurance 1994 study, no direct citation located.

³ Ibid Footnote 1.

⁴ 2000 Analysis of Workers' Compensation Laws', US Chamber of Commerce, April 17, 2000.