



Pamela S. Roberts, Cabinet Secretary
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August 20, 2012

Francis Toscana, Chairman
SDML Workers' Compensation Fund
4901 Isabel Place #110
Sioux Falls, SD 57108

Dear Mr. Toscana:

Thank you for the letter addressed to the South Dakota Workers' Compensation Advisory Council regarding proposed legislation for the 2013 session. I appreciate you taking the time to share your thoughts with the Council.

On your behalf, I have distributed your letter to Chairman Michels and all Council members for their review and consideration. The issues involved will be discussed at the September 6 meeting. I would welcome you or a member of your organization to attend if you wish.

Thank you again for the letter.

Sincerely,

A handwritten signature in black ink that reads 'Pamela S. Roberts'. The signature is written in a cursive style and is followed by a horizontal line.

Pamela S. Roberts
Secretary



INSURANCE BENEFITS, INC. – FUND ADMINISTRATOR

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AUG 15 2012
LABOR & REGULATION
OFFICE OF SECRETARY

August 6, 2012

South Dakota Department of Labor & Regulation
Attn: SD Workers' Compensation Advisory Council
Kneip Building
700 Governors Drive
Pierre, SD 57501-2291

Re: Proposed Legislation – HB1054

Dear Chairman Michels & Council Members,

My name is Francis Toscana, Chairman of the SDML Workers' Compensation Fund. At a recent Board meeting our Administrator, Insurance Benefits, Inc. reported that HB1054 will be introduced again in the 2013 legislative session. It was also reported that on September 6, 2012 the SD Workers' Compensation Advisory Council will be voting on whether or not to support the bill as proposed. On behalf of our Board of Trustees and the nearly 400 public entities that we represent, we oppose this legislation. Specifically, we do not support the first part of the proposed bill which increases the First Report of Injury notice requirement from 3 to 7 business days.

The reason that we oppose increasing the injury reporting period is that as a provider of workers' compensation coverage in South Dakota, it is our experience that the earlier an injury is reported the better the outcome of the claim for both the employer and the employee. At the June 26th SD WC Advisory Council meeting, Brad Wilson from Insurance Benefits, Inc. testified that there are published case studies and articles that support the benefits of early reporting of work related injuries. One case study is from Iowa where an insurer with over 800 employers reduced their average reporting time from 21 days to 2 days. The results were that the average cost per claim was reduced by 44% and the insurer was able to reduce its work comp costs by 16%. In other published case studies lost work days are decreased from 50-70% due to early injury reporting.

We believe that if this bill is passed in law, it could open the door to future legislation to increase the notice period again in the future. Therefore, we respectfully ask that the SD Workers' Compensation Advisory Council vote against supporting HB1054 as proposed. Thank you.

Respectfully,

Francis Toscana, Chairman
SDML Workers' Compensation Fund

4901 Isabel Place #110, Sioux Falls, SD 57108

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