

2758

**Knehr, George**

RECEIVED

**From:** Romero, Yolanda [YRomero@septa.org]  
**Sent:** Friday, June 05, 2009 9:55 AM  
**To:** Knehr, George  
**Cc:** Szymanski, Virginia J  
**Subject:** Proposed Rulemaking for WC Self-Insurance

JUN 05 15 55 50  
MAY 15 10 05 00

George,

I know I am late with these comments but I have been out of the office and this is the first time I have been able to catch up with this. Hopefully, you will consider reading SEPTA's concerns.

Thanks much

Yolanda Romero, Director of Workers' Compensation

**From:** copier@septa.org [mailto:copier@septa.org]  
**Sent:** Friday, June 05, 2009 9:45 AM  
**To:** Romero, Yolanda  
**Subject:** Attached Image

2758




Southeastern Pennsylvania Transportation Authority  
**Public & Operational Safety Division**

1234 Market Street, 6th Floor, Philadelphia, PA 19107-3780

**Intra-Office  
Memorandum**

- Administration
- Transit Police
- System Safety
- Claims Management
- Records Management
- Workers' Compensation
- Enterprise Risk Management

**TO:** Yolanda Romero

**FROM:** Ginny Szymanski 

**SUBJECT:** Proposed Rulemaking  
Re: W/C Self-Insurance

**DATE:** May 22, 2009

2009-05-22  
 11:11 AM  
 PH-1111

I just completed a review of the proposed changes planned by the Bureau of Workers' Compensation to the rules regarding Self-Insurance. I may be incorrect in my interpretations, but I have concerns about the following:

Section 125.3(e) indicates that the Bureau might delay approval of self-insurance status until "all additional data, information, explanation and corrections under subsection (d) have been submitted". I believe that this means SEPTA will no longer be granted "conditional approval" while waiting for the renewal of the excess W/C insurance policy, as in the past. I am concerned that this will create problems. If the bureau will no longer conditionally approve self-insurance status, and there is any kind of delay in procuring the excess policy, SEPTA may be in jeopardy. While there is language in section 125.7 about automatically extending the prior permit, I have my concerns.

There is mention on page 2296 of "the vast majority of public sector applicants would realize substantially reduced funding requirements under the proposed regulations." I would be interested as to whether SEPTA is included in the entities that would benefit by the reductions, or will we be an entity that suffers significant increases.

In the actual statement of the documented changes, there is an increase in the application filing period due date - that is, instead of the application being due two (2) months before the expiration (for SEPTA - due February 1), it will be due three (3) months prior to expiration (for SEPTA January 1). This puts a great deal of pressure on all parties that provide the varying details feeding the application. For example, it means that the payroll financials would be requested in December, a time when they are busy with calendar year close preparation and functionality.

Another prospective change I find is that the Bureau will be expecting additional details of closed claims, a new report and an electronic file listing "the employer's

Pennsylvania workers' compensation claims incurred as a self-insurer, including claims currently in litigation, and information such as payments and reserves on each claim. The listing must include (i) All open claims at the time of submission and (ii) All claims closed in the past if these claims are available." While CSI currently provides the 413 and 414 forms (open claims), it would be required to provide additional reports of old, closed claims.

My primary concerns are the loss of "conditional approval" and the pressure to submit the application and all relevant documents a full month sooner that was required in the past.

If you have any questions or concerns, please let me know.