

2758

Knehr, George

REC - FD

From: Adams, Becky [Becky_Adams@wellsfargois.com]
Sent: Monday, June 08, 2009 1:20 PM
To: Knehr, George
Cc: Lemon, Jayne
Subject: Comments on Proposed Rulemaking

George,

Attached are the comments which Jayne Lemon is filing on behalf on behalf of Wells Fargo Disability Management. These comments are in response to the Proposed Rulemaking relating to Workers' Compensation Individual Self Insurance.

We appreciate your consideration. Please let us know if you have questions.

Thanks,
Becky

Rebecca A. Adams, ARM
Risk Management
Wells Fargo Disability Management
P.O. Box 3389
Charleston, WV 25333-3389
Voice 304.556.1117 Fax:304.556.1165
e-mail: becky_adams@wellsfargois.com

Note: This message and any attachments, contains confidential/privileged information and is intended only for the addressee(s). If you are not the intended addressee(s), you may not copy, disclose, forward, or distribute this message or its contents to any other person. Any such actions may be unlawful.

6/8/2009



2758

P O Box 95
Houston, PA 15342-0095
724 743 7940 Voice / 724 743 7950 Fax

Wells Fargo Disability Management

June 7, 2009

George Knehr, Chief
Self-insurance Division
Bureau of Workers' Compensation
Department of Labor & Industry
1171 S Cameron St
Harrisburg PA 17104

Re: Proposed Rule-Making

Dear George Knehr:

In response to the May 2, 2009 edition of the Pennsylvania Bulletin, regarding proposed amendments to the regulations governing individual self-insurance, our comments are listed below.

- Section 125.9(b)(1)(ii): Since the Bureau will have the discretion to revoke the current permit of the bond if the bond rating declines and a replacement bond is not in place in 45 days now, rather than 60 days, we recommend that the self-insurer be notified when the rating declines. Please verify when the 45-day period begins.
- Section 125.9(e): If the employer's actuarial analysis is not used, we recommend that the Bureau provide the self-insurer with an explanation as to why the actuarial report is not being used.
- Section 125.9(g)(1): We recommend that self-insurers be provided an opportunity to furnish additional information and participate in discussion with the Bureau before the default multiplier-calculated security factor is invoked.
- Section 125.9(j): We recommend that the time frame for phasing in additional security stay at three years, rather than be reduced to two years, until we see the impact of these new rules.
- Section 125.9(k): Language to be deleted addresses reduction and release of security on run-off accounts. Proposed language only addresses release. We recommend that language regarding reduction of security be reinstated.
- Section 125.9(l): The security discount table provides self-insureds with better discount possibilities because of the broader range of discounts available.
- Section 125.13(a)(5): We respectfully object to this additional assessment being placed on self-insurers. They should not be required to contribute to a fund for which they have no exposure and from which their employees will never collect.



George Knehr, Chief
Page 2
June 7, 2009

- Section 125.17(d): We recommend that language be added to reflect repercussions to former claims service companies if they do not provide reasonable assistance to the self-insurer and the Bureau in the exchange of historical data.
- Section 125.21: We believe the opportunity for self-insured employers to utilize loss portfolio transfers will be very beneficial.

Thank you for your attention to our comments. We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Jayne K. Lemon".

Jayne K. Lemon
Assistant Vice President
jayne_lemon@wellsfargois.com

JKL/map