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May 9, 2013

The Honorable Matthew Denn
Lieutenant Governor
Chairman, Workers' Compensation Task Force
Carvel State Office Building
820 N. French Street
Wilmington, DE 1980

RE: Workers Compensation Task Force Report to the Governor and General Assembly of the State of Delaware, May 6th draft report

Dear Lt. Gov. Denn,

I have had the opportunity to review the report and recommendations therein on behalf of the AIG Property and Casualty insurers. Recognizing and supporting the good work previously done by the Task Force, our comments will be brief and to the point.

1: Place tighter controls on Workers Compensation Medical Costs.

- No comments at this time.

2: Ensure that insurance carriers' requests for rate increases receive a high level of scrutiny.

- **Bullet 4:** We agree that carriers should utilize all tools available to them via statute to control and monitor medical costs. Fee Schedules and any other available discounts should be utilized at all times. However, there are other events that may cause an insurer's overall medical costs to rise sharply in any given rating cycle. A major catastrophic loss for a smaller carrier, or a single event resulting in numerous catastrophic injuries for a larger carrier can create huge medical expenses. New drug therapies, advances in technology, and almost daily changes in the way medical care is used and delivered can impact costs.
- The goal of the carrier community is to get the best possible care for the injured worker at a fair and reasonable price. Thus, every carrier should be given the opportunity to explain cost increases before a costly full examination or review is required.
- **Bullet 5:** Insurance carriers already have in place a protocol for reporting medical data to many states via the NCCI medical data plan. The fastest and most efficient way to provide detailed information to the State of Delaware would be to utilize an existing protocol. We urge the Task Force to look at the NCCI Medical Call data, (or other existing data reporting requirements) to evaluate their ability to meet the needs of the State of Delaware before developing Delaware specific reporting requirements.
- Additional comments may be forthcoming pending further review.

3: Make the State's Laws encouraging injured workers to return to work more effective.

- **Bullet 1.** As written, this recommendation places responsibility on the insurance carrier to make certain the employer completes a Modified Duty Availability Report and provides it to the treating physician. As a carrier, we have no objection to providing a copy of the form to the insured, reminding the insured the form needs to be completed and sent to a physician, but we are in no position to MAKE the insured complete this form. We submit that the best way to assure completion of a form by an employer is to REQUIRE the employer to complete the form, either by rule or statute, in order to insure compliance.



4: Improve the States' workplace safety program to both increase its usage and ensure that it accurately determines which workkplaces are using appropriate safety practices.

- No comments at this time.

We appreciate the opportunity to provide our comments on this important work.

Very Truly Yours,

A handwritten signature in black ink that reads "Tom Glasson" followed by a stylized flourish.

Tom Glasson
AIG State Relations