

Good morning Industrial Commission Advisory Committee members and attendees,

My name is Cindy Weigel. I am the President of Intermountain Claims, Inc. and a licensed insurance adjuster in the State of Idaho for 35 years. I am here to speak in favor of a 50-year rule of law in Idaho, requiring that workers compensation adjusters be located inside the state of Idaho. See Idaho Code Section 72-305 and Rule 305.

Intermountain Claims is a multi-line third-party administrator founded in Pocatello, Idaho in 1981 and we have been providing comprehensive workers' compensation third-party administration since 1987. Intermountain is a small but proud Idaho corporation that has grown since inception, expanding our Idaho locations to include offices in Boise, Idaho Falls, Twin Falls and Lewiston. We grew our operations conservatively over the years and developed a regional presence with additional offices and claims services throughout the Northwest. Today, Intermountain has approximately 120 employees. Its Boise office consists of 44 employees of which 30 are in our workers' compensation department.

Intermountain prides ourselves on being a service-oriented claims management company which complies with Idaho law, including Rule 305. It is our intention to properly evaluate claims focusing on thorough and prompt investigation, compassion, and fiscal responsibility. We employ the best and treat them like family. We have long standing personal relationships with many of our clients. Our adjusters are trained to treat injured workers with empathy and respect, and we conduct our operations with honesty and integrity. We value the local medical providers and legal community and work with them to properly evaluate claims and pay benefits for work related injuries. Our Idaho workers' compensation operation has a diverse client base of which about 25% are Idaho self-insured employers. The remaining Seventy-five percent is a mix of insurance carrier and national third-party administrators who do not have offices in Idaho and contract with us to handle their claims to fulfill their obligations via 72-305 of the Idaho Workers' Compensation Statute. Our self-insured clients consist of employers of city and county municipalities as well as education, grocery, health care, hospitality, and manufacturing, etc. Our insurance carrier and national third-party clients are located throughout the United States and provide coverage for employers ranging from small "mom and pop" businesses to large national accounts.

Today I am here to speak about Senate Bill 1037, an effort by an out of state national trade association to modify 72-305 of the Idaho Workers' Compensation Statute pertaining to the in-state adjusting requirement. Idaho Code 72-305 was enacted in 1971 and reaffirmed during the 2022 legislative session. 72-305 states that "each surety shall provide prompt claims services through its own adjusting offices or offices located within the state, or by independent, licensed, resident adjusters." This statute was designed to provide sure and certain relief for injured workers and their families. The purpose was not to create a "surety relief" act but to deliver compensation owed. It allows for an in-state contact for injured workers and their families to navigate the often-complex workers' compensation system that result in wage loss, long term disability and expensive medical bills. Most workers have little to no experience in workers' compensation but an accident with injury can often cause stress and fear due to loss of income from disability.

Modifying 72-305 would be a disservice to injured workers and their families. They would no longer have an in-state representative to promptly address questions pertaining to their claims. Instead, they would be working with representatives outside of the state of Idaho that handle multiple jurisdictions and are not often well versed in the Idaho Workers' Compensation Statute, Administrative Rules or Supreme Court Decisions, etc. that impact how we administer benefits under the Idaho Workers' Compensation system. Our Boise Workers' Compensation staff are experts in Idaho Jurisdiction and handle only Idaho jurisdiction claims. The "Mom and Pop" employers who seldom have claims to file would now need to navigate the claim reporting hot lines, etc. to locate an individual to assist them with filing claims. Plaintiff counsel would be trying to reach out-of-state adjusters in order to secure benefits for their client, they would have to identify where to send legal documents if a Complaint were necessary, resulting in delays for their clients. Defense counsel would no longer be working with individuals well-versed in Idaho Workers' Compensation rules and would likely need to educate adjusters on the rules and regulations in Idaho. Intermountain would lose a majority of our valued employees. Modifying 72-305 would have a negative impact on small businesses in Idaho like Intermountain and a loss of valuable jobs to people working outside the state of Idaho.

Over the years the Commission has repeatedly educated the interested community--of adjusters, sureties, employers, and claimant's attorneys--that the Commission took the in-state adjusting requirement seriously. And that it fully intended to enforce that requirement of Idaho law, a provision going back to 1971.

In the margin below I list the date, title and subject of the Commissions' publications on the subject and would be happy to give anyone a copy of those papers on request.

Removal of the Idaho in-state adjusting requirements would result in Intermountain's loss of approximately 75% of our workers' compensation clientele in Idaho and loss of several of our valued employees. We pride ourselves on the many employees who contributed decades of service and commitment to Intermountain. It would create confusion and difficulty for injured workers, and the local medical and legal community to efficiently and timely process workers' compensation claims in Idaho.

We recognize the governor's "Red Tape Reduction Act" and desire to reduce regulation on Idaho Businesses, however, 72-305 was reaffirmed in March of 2022 following the Governor's "Red Tape Reduction Act" and we question why it is being brought up to be addressed again.

- Nov. 28, 2001 Industrial Commission Memorandum "In-State Adjusting Requirements."
- Oct. 15, 2009 Industrial Commission "In-State Adjusting Requirements."
- May 2013 Industrial Commission Memorandum "In-State Adjusting Requirements" ref: 2001 and 2009 Letters
- June 15, 2015 Industrial Commission Memorandum re: "Payment of Benefits under Deductible Policies and In-state Adjusting Requirements"
- July 17, 2015 Intermountain Claims Signed Industrial Commission requested "Compliance Acknowledgement and Concurrence"
- May 4, 2016 Industrial Commission Guidance Memorandum ref: "Payment of Benefits under Deductible Policies and In-state Adjusting Requirements"
- June 10, 2020 Industrial Commission Memorandum – "In-State Adjusting Requirements."
- June 23, 2020 Industrial Commission Audit Guidelines: Numerous references to In-State Adjusting Requirements, Audit Criteria and Memorandums highlighted.