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The Newsletter of the American Association of State Compensation Insurance Funds

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Oregon Pennsylvania Prince Edward Island Puerto Rico Quebec Rhode Island Saskatchewan South Carolina Texas Utah Washington West Virginia Wyoming Yukon

Terrorism

AASCIF

From the AASCIF president

Changes in the economy typically correlate strongly with shifts in workers' compensation trends. The incidence and cost of injuries change with underlying economic forces. So does investment risk and performance, another important part of the insuring equation.

For organizations insuring workers' compensation, staying attuned to the changes and managing ahead for them is the objective and the challenge. It's key to our serving employers and injured employees with excellence, through good economic times and bad. This, for us, is a shared mission and another reason to share ideas on how to manage—even lead!—successfully for the changes we encounter and anticipate.

Changes in the economy have brought sharp reversals to the financial fortunes of government in the home jurisdictions of many of us, adding another dimension to our leadership challenges at home. Faced with serious fiscal issues, governments are looking in a lot of places, including state fund organizations or other segments of the workers' comp system, for a way out of their problems. Many of the solutions our governments are considering have a "quick fix" look about them. But with government fiscal issues all too real, our member organizations are rising to the challenge of managing for these economy-driven changing forces as well.

We're an organization that supports state funds as long-term contributors to successfully address workers' compensation issues and changes. Short-sighted quick fixes rarely work in workers' comp. They're not likely to work well long term for the fiscal issues our home jurisdictions may be facing either. But helping to find longer-term solutions for these is another challenge to test our leadership mettle. Our members have shown readiness to help one another with shared experiences on this front as well.

Add to this expanding array of issues the likely changes from higher risk exposures newer to all of us—terrorism, for example—and other issues that have developed at a federal level.

Pat Johnson
AASCIF PRESIDENT
2003-2004

These changes have meant expansion in the ways AASCIF serves its member organizations. Idea and information sharing for common interests in operational improvements remains our staple. Member funds are accustomed to public affairs issues at the state level and demonstrate the agility in this arena that earns them leadership roles at home. Networking among our members for information and strategies we can use in our home jurisdictions continues to be valuable in keeping that agility.

But AASCIF members have also had many more common public affairs issues at the national level in the U.S. recently than in past years. Developing mechanisms for comparable agility in our collective efforts beyond our individual borders is newer territory for AASCIF. For a volunteer organization whose members' interests though similar are not identical, this is not a small challenge.

Thanks to the talents and perseverance of key volunteers from some of our member funds, plus key support from AASCIF members, we've done well in this public affairs arena that is a newer one for our organization. Our success in helping get the Terrorism Risk Insurance Act moving and enacted with protections for state funds was not a small victory. Our opposition to broad-brush limits on state funds via NCOIL is also making an impact.

More complex issues at home and newer ones beyond our borders bring change and new demands on our resourcefulness. There are also new demands on our relationships as members. I'm counting on the same level of resourcefulness in figuring out how we come together on the issues and interests we share, fully aware of the differences in how each fund looks to evolve in its own changing environment.

Pat Johnson

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Vancouver

Spectacular setting for 2003 AASCIF conference

This summer, the Workers' Compensation Board of British Columbia will host the first-ever combined AASCIF and Association of Workers' Compensation Boards of Canada (AWCBC/ACATC) conference.

The conference is set for Aug. 17 to 21 in downtown Vancouver.

Visit beautiful British Columbia

Located on Canada's scenic West Coast, Vancouver is among the most beautiful cities in the world, offering visitors an unforgettable combination of big-city sophistication and breathtaking natural beauty.

The vibrant downtown core offers all the amenities of a major international destination—hundreds of fine restaurants, bars and clubs; countless parks and recreation facilities; and world-class shopping, entertainment and sporting events.

Nestled between rugged coastal mountains and the edge of the Pacific Ocean, Vancouver offers limitless outdoor activities with wide-open spaces, sandy beaches, majestic rainforests and sparkling waterways—all within short walking distance.

Gain insights through conference sessions

The conference's daytime agenda promises to be challenging and constructive. The theme "Evolving @ the pace of change" will be reflected throughout the program.

General sessions will provide insight and promote discussion on topics such as behavior-based safety, claims management, worksite safety coordination, e-business, and key challenges facing state and provincial funds today.

Keynote speakers include Dr. Angus Reid, president and CEO of Angus Reid Strategies and former chairman and CEO of the Angus Reid market research group, now known as Ipsos Reid.

Take in an abundance of activities

Attendees and guests will have the opportunity to take part in a variety of unique and exciting social activities including a guided tour of Vancouver's Granville Island, a golf tournament and croquet match, a day trip to Whistler Village—North America's premier ski and recreational resort—and a gondola ride up Grouse Mountain, which will provide spectacular panoramas of the city, the bustling waterways, the glittering Strait of Georgia and the Gulf Islands.

Plan on bringing your kids? Don't worry, special youth-oriented events are planned throughout the conference. And if you are thinking about arriving early or staying later, you may wish to take a ferry ride over to the beautiful garden city of Victoria on Vancouver Island, or plan a cruise to Alaska via the stunning inside-passage of B.C.'s coast.

Enjoy first-class accommodations

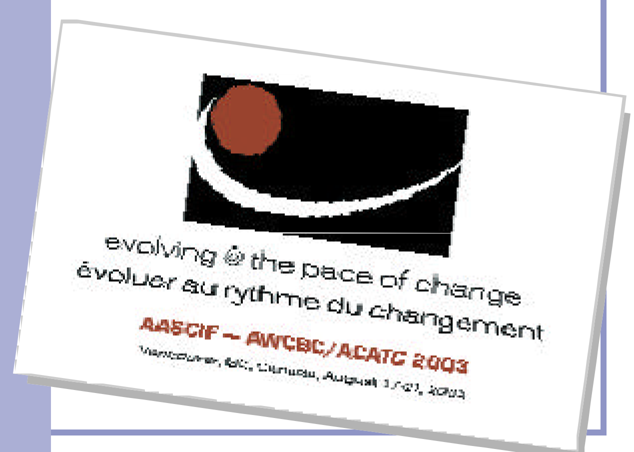
Attendees and guests are encouraged to stay at the Fairmont Waterfront Hotel, which also serves as the main conference venue. The hotel is within easy walking distance to Stanley Park, historic Gastown, major shopping districts and many other downtown attractions.

Special discount rates have been negotiated and rooms reserved for AASCIF-AWCBC/ACATC delegates and their guests. Or, check our website, at www.Bcin2003.ca for other nearby accommodations.

On our site, you'll find useful information including fees, contacts, social events, travel resources and a tentative conference program.

You can also register online for the conference and connect to the Fairmont Waterfront Hotel website to reserve a room. Information is also provided for sponsors and exhibitors.

We look forward to sharing ideas with you this summer in beautiful British Columbia.



Terrorism Risk Insurance Act

U.S. federal law creates insurance backstop, makes state funds eligible to participate

On Nov. 26, President George W. Bush signed into law the Terrorism Risk Insurance Act of 2002.

In so doing, he created a long-awaited federal insurance backstop for future terrorism losses and mandated that as of Nov. 26, 2002, most insurers, including workers' compensation insurers, make terrorism coverage available for certain losses occurring on commercial property and casualty risks within the United States.

State workers' compensation insurance funds are expressly eligible to participate.

The Act mandates that the U.S. Treasury Department implement and administer a terrorism risk insurance program. The federal government will provide no-cost 90 percent indemnification to most commercial property and casualty insurers on a quota share basis above retention points for insured losses which occur in the United States and result from defined acts of foreign terrorism.

Participation in the program is mandatory for eligible property and casualty insurers. These insurers are required to make terrorism coverage available in all commercial property and casualty policies written before Dec. 31, 2004.

In some circumstances, the secretary of the Treasury may require that a portion of the payments made by the Treasury be recouped over time via post-event policyholder surcharges. The provisions of the Act took effect Nov. 26, 2002, and will end Dec. 31, 2005.

The Treasury Department is now working with the National Association of Insurance Commissioners in developing the mechanisms necessary to implement the Act. This ultimately will result in the proposal of formal implementing regulations, which could include new details on how the Act will be applied to state workers' compensation insurance funds.

As of now, however, insurers have only the text of the Act itself and several informal Treasury Department Interim Guidance announcements.

In order to comply with the Act and be eligible for reimbursements under the program, state funds must (1) make terrorism insurance, as defined by the Act, available as part of eligible new and renewal policies; and (2) as of Feb. 24, 2003, provide notice to insureds explaining the existence or availability of terrorism coverage under policies in force on or issued after Nov. 26, 2002. State funds should now be issuing such notices to policyholders in order to preserve the right to claim against the federal backstop in the event of a loss.

Insurers required to participate

Insurers covered by the federal program are those which are: (1) licensed in any state, (2) on the NAIC's "white list" of eligible surplus lines insurers, (3) approved "by a federal agency in connection with maritime, energy or aviation activity," (4) state residual market pools or state workers' compensation insurance funds, and (5) others that the secretary may designate, possibly including captives and other self-insurance arrangements, and state residual market entities. Affiliates and subsidiaries of these entities are expressly included within the definition of "insurers" required to participate in the program.

In an Interim Guidance released Dec. 18, the Treasury Department specifically named the state workers' compensation funds that will be eligible to participate. The intention was to include all state funds, although the guidance did not correctly identify all of them. AASCIF has been in contact with Treasury and is working to ensure that any final list published by Treasury is correct.

Act of terrorism

The program is triggered only when the Treasury secretary—in concurrence with the secretary of State and attorney general—determines an "act of terrorism" has occurred.

To make that determination, the secretary must find that: (1) the act was committed on behalf of any foreign person or foreign interest (i.e., purely domestic terrorism is not covered), (2) the act is a violent act or is dangerous to human life, property or infrastructure and results in damage within the United States, on the premises of a U.S. mission, or to U.S.-flag aircraft or vessels wherever located, (3) the act is a part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the U.S. government by coercion and, (4) damages resulting from the act exceed $5 million.

Any state definitions of "act of terrorism" that conflict with the federal definition are preempted. With the exception of workers' compensation losses, the program does not cover losses arising from activities committed in the course of a war declared by the Congress.

Geographic scope

The program covers all losses resulting from an act of terrorism that are covered by commercial lines primary property and casualty insurance if such losses occur within the United States, defined to include the U.S. territorial sea, the U.S. continental shelf, and the premises of U.S. foreign missions.

Insurer deductible

To qualify for federal reimbursement under the program, a participating insurer must pay insured losses up to a deductible calculated as a percentage of the insurer's direct earned premiums on covered commercial lines during the previous calendar year.

TERRORISM

The percentage applied to calculate this “insurer deductible” rises from 7 percent during 2003 to 10 percent in 2004 and 15 percent in 2005.

In addition to relying on existing NAIC “lines of business” to define the types of coverage included in the program, the Treasury’s Dec. 3 Interim Guidance instructs that insurers may calculate their insurer deductible by applying the statutorily mandated percentages to the direct premiums earned for the covered lines of business as determined by reference to the NAIC’s Exhibit of Premiums and Losses.

Cost sharing formula

For losses above an insurer’s deductible, the federal government will cover 90 percent while the insurer will be responsible for 10 percent.

Total losses covered by the program are capped at $100 billion annually.

An insurer that has met its insurer deductible is not liable to policyholders for its share of losses that exceed this cap.

The federal share of compensation for insured losses will be reduced by the amount of compensation provided by the federal government under other federal programs, such as disaster relief payments.

‘Clear and conspicuous’ notice

The Act specifically nullified all exclusions in in-force commercial property and casualty policies as of the date of enactment, Nov. 26, to the extent the exclusions relate to insured losses resulting from “acts of terrorism” as defined.

Because workers’ compensation insurance policies contained no terrorism exclusions at the time TRIA was enacted, the nullification-reinstatement process will generally not apply to state funds.

Instead, workers’ compensation insurers need only issue notices informing policyholders of the existence of the federal backstop and the portion of the premium that is attributable to coverage for “acts of terrorism.” Failure to provide notices will result in forfeiture of the right to claim against the federal backstop in the event of a loss.

In the case of policies in force before the date of enactment, the notice must be issued within 90 days of enactment, that is by Feb. 24, 2003. In the case of policies issued on or within 90 days of enactment, the notice must be delivered at the time of “offer, purchase, and renewal of the policy.” In the case of policies issued more than 90 days after enactment, the notice must be included as “a separate line in the policy, at the time of offer, purchase, and renewal of the policy.”

Recoupment: policyholder surcharges

If the federal government pays for insured losses during the course of a year, the Treasury secretary will be required to recoup amounts expended by the government.

But that requirement becomes discretionary when total losses—those paid by private insurers together with those paid by the government—exceed the following fixed dollar amounts per year: $10 billion for 2003, $12.5 billion for 2004, and $15 billion for 2005.

The recoupment will be accomplished through a surcharge on all commercial property and casualty policies in force after the date the secretary determines there has been a triggering event. The secretary has discretion on the timing of the surcharge, but the surcharge cannot be more than 3 percent of the premium paid for a policy in a given year.

The secretary is to consult with the NAIC in determining the

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Smallpox vaccinations

Implications for workers' compensation

John Annarino
Chief Legal Officer
Ohio Bureau of Workers' Compensation

President George W. Bush announced a federal smallpox vaccination program on Dec. 13 to "better protect the American people against the threat of smallpox attack by hostile groups or governments."

As part of the program, the U.S. Department of Health and Human Services will work with state and local governments to identify "Smallpox Response Teams" of doctors, nurses and other personnel to respond quickly in the event of a smallpox attack.

Inoculation of team members with the smallpox vaccine is not without risks. Therefore, participating on teams is voluntary, and the program carries several implications for workers' compensation.

Smallpox vaccination risks

According to the Centers for Disease Control and Prevention, smallpox vaccine is made from the vaccinia virus, a live, pox-type virus. A two-pronged needle dipped in the vaccine solution is used to prick the skin about 15 times in a few seconds. In three or four days, a red itchy bump develops. In the first week, it becomes a large blister, fills with pus and begins to drain. In the second week, the blister begins to dry and a scab forms. In the third week, the scab falls off, leaving a small scar.

Because it is a live virus, the vaccinia virus may be spread to other parts of the body or to other people by touching a vaccination site before it has healed or by touching bandages or clothing contaminated with live virus.

Most people experience mild reactions that usually resolve without treatment, including rash, fever, and head and body aches.

However, based on past experience, out of every 1 million people vaccinated for the first time: 1,000 experience serious reactions, 14 to 52 experience potentially life-threatening reactions, and 1 to 2 people may die.

Serious reactions include:

- Inadvertent inoculation: Accidental spreading of the virus by touching the vaccination site and then touching another part of the body or another person. Inadvertent inoculation of the eyes can lead to blindness if not treated.
- Generalized vaccinia: Widespread rash occurring when the virus spreads from the vaccination site through the blood.
- Erythema multiforme: A toxic or allergic rash in response to the vaccine.

Life-threatening reactions, which require immediate medical attention:

- Eczema vaccinatum: A serious rash caused by widespread infection of the skin in people with conditions such as eczema or atopic dermatitis.
- Progressive vaccinia (vaccinia necrosum): Ongoing infection of skin with tissue destruction which frequently leads to death.
- Postvaccinal encephalitis or meningoencephalitis: Inflammation of the brain or spinal cord.

People with certain medical conditions—including weakened immune systems (for example, due to cancer treatment, organ transplant, HIV, medications), eczema or atopic dermatitis, or other skin conditions such as burns, chickenpox, shingles, impetigo, herpes, severe acne, or psoriasis—are more likely to have these reactions and should not get the smallpox vaccine unless they actually have been exposed to smallpox.

Due to the potential for inadvertent inoculation, persons with these medical conditions who live or otherwise come into close contact with people who have received the vaccine are also at greater risk.

Workers' compensation implications

Smallpox Response Team members who receive the vaccine are doing so within the course and scope of their employment. Any serious or life-threatening reaction should be covered under the member's workers' compensation coverage.

The Ohio Bureau of Workers' Compensation, for example, formally recognized this in December when it announced its policy that "Ohio's workers' compensation system will provide coverage to smallpox health-care response team volunteers in the event they develop a serious or life-threatening reaction from the smallpox vaccine."

However, workers' compensation coverage extends only so far.

For example, while a Smallpox Response Team member may be covered, if the vaccinia virus is transmitted to one of his or her family members who then develops an adverse reaction, the family member most likely would not be covered by workers' compensation since the family member did not contract the virus in the course of employment. However, the family member might be able to submit a claim against the United States under the Homeland Security Act.

Also, since Smallpox Response Teams are largely health care workers, it is possible a vaccinated team member may transmit the virus to a patient or co-worker. The patient likely would not be covered by workers' compensation but might be able to submit a claim under the Homeland Security Act. However, the co-worker who develops an adverse reaction may well be covered. While the patient did not contract the virus in the course of employment, the co-worker did.

What if, to prevent the possible transmission of the virus to patients

and co-workers, the vaccinated Smallpox Response Team member's employer—e.g., a hospital—reassigns the member to alternate, lower-paying work or refuses to schedule the member for work until the member's vaccination site has healed and the risk of transmission has passed?

While workers' compensation would definitely cover lost time or lost wages due to illness arising from an adverse reaction, lost time or lost wages in this situation arguably are not due to any work-related illness or injury preventing the worker from performing his or her job.

The counter-argument is that the vaccinia virus itself is an "illness" or "disease," and the worker's lost time or lost wages are directly related to the worker having "contracted" vaccinia, via inoculation, in the course of employment.

As for liability on the part of the employer—e.g. the hospital—the classic trade-off of the workers' compensation system is that, in return for complying with the workers' compensation laws and providing the required coverage to its workers, an employer is typically granted immunity from civil liability resulting from work-related injuries.

To the extent that a team member's reaction to the smallpox vaccine is covered by workers' compensation, it would seem to follow that the employer would be immune from civil liability resulting from its involvement in designating the member to be on the Smallpox Response Team or in administering the vaccine. Remember also that participation on the team is voluntary, and the worker could decline.

In addition, although outside the scope of workers' compensation, the Homeland Security Act contains provisions granting civil immunity to healthcare providers who administer the smallpox vaccine as well as to pharmaceutical companies who manufacture it.

Conclusion

The vaccination of Smallpox Response Team members under President Bush's smallpox vaccination program impacts both national security and state workers' compensation systems.

Healthcare workers who agree to serve on these teams and to be vaccinated should be assured that they will be taken care of should they suffer a severe or life-threatening reaction. Unfortunately, vaccinating these workers may also lead to consequences that state workers' compensation systems are ill-equipped or unable to deal with. This may lead aggrieved parties to look to the federal government via the Homeland Security Act or other means.

Finally, since the Canadian government has announced a voluntary program (see www.hc-sc.gc.ca/english/epr/smallpox.html#7) to pre-vaccinate a number of Canadian "first responders" beginning in early 2003, the workers' compensation principles and issues expressed here no doubt will arise in Canada as well. ■

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CDC fact sheets on smallpox

www.bt.cdc.gov/agent/smallpox

Many states have used CDC's information as the basis for their own smallpox policies

Ohio
www.odh.state.oh.us/New/SPInfo/smpox1.htm

Kentucky
www.publichealth.state.ky.us/smallpox.htm

North Dakota
www.health.state.nd.us/smallpox/

Washington
www.doh.wa.gov/BioTerr/smallpox.htm

California
www.dhs.cahwnet.gov/ps/ddwem/environmental/epo/EPOSmallpox.html

Medical bill imaging is a way to try out the advantages of the paperless office

Rob Norris
Chief Information Officer
Colorado, Pinnacol Assurance

Several state funds have implemented document imaging systems to enable paperless management of key business files, primarily policy and claim files. Other funds have, for years, contemplated implementation of imaging technology but have made little progress because of project complexity, immense business impact and high cost.

One strategy to introduce document imaging into a state fund, while minimizing complexity, impact and cost, is to implement an imaging system for medical bills.

A medical bill imaging system involves scanning incoming paperwork associated with healthcare claims, primarily standard forms UB-92 (for inpatient hospital care) and HCFA-1500 (for most other healthcare), along with associated records and notes.

As forms are scanned, optical character recognition (OCR) technology reads the information on the forms, creating a stream of electronic data. The data, along with images of the forms, is used to drive the workflow for bill adjudication, while the original paperwork is temporarily retained as a back-up and then eventually destroyed.

The most obvious benefit of such a system is the elimination of data entry, which can account for the majority of labor costs involved in adjudicating medical bills.

However, OCR does not eliminate all manual data entry. There still must be a data verification process that involves human beings.

As the OCR engine reads data from bill images, it assesses its own confidence on the accuracy of its output. When the engine falls below a certain confidence threshold, it displays to a worker what it "thinks" it has read, along with an image of a relevant portion of the bill. The worker then can validate the data against the image, making changes if necessary.

After OCR, a medical bill imaging system can perform a series of additional edits, such as authentication of procedure and diagnostic codes, validation of mathematical totals, and look-up of geographic data. These edits are highly configurable and can be integrated with existing claim and medical bill processing systems.

Quicker access to records

Medical bill imaging can have a favorable impact on more than just expenses.

Losses can be driven downward because claim adjusters and nurses gain access to medical bills and records sooner, allowing for more-informed, timelier decision-making. With a medical bill imaging system, images of bills and records can be immediately and simultaneously accessible by anyone who needs them. Without an imaging system, bills and notes often go through the bill adjudication process first before being sent on to other employees.

Medical bill imaging can also facilitate better quality control and workload management.

With images and data going into a database almost immediately upon receipt of bill paperwork, bills can be tracked more reliably. It's less likely that bills will be lost or thrown away. Simple workflow mechanisms can be built to equitably balance workload among bill processing workers

And post-adjudication quality review procedures can be implemented that allow an auditor to easily retrieve a random selection of bills, including images of the original paperwork.

Imaging products on the market

Because processing medical bills is not unique to workers' compensation, there is a robust market for packaged medical bill imaging systems, supplied by several well-established document imaging vendors.

Products such as MEDIclaim by Cardiff Software Inc. and ClaimPack by Captiva Software Corp. can be purchased for a surprisingly reasonable cost and implemented in a few months. Labor savings alone can pay for such a system in as little as one year.

Vendors typically provide extensive implementation assistance through consultants who are well versed in the intricacies of processing healthcare claims. This enables the state fund to focus primarily on the integration of the product into the overall bill processing and claim management environment.

The "paperless office" in workers' compensation may for some time remain an elusive goal for many state funds. Instead of sitting on the sidelines, state funds should consider medical bill imaging. It provides an easy and affordable way to open the door to document imaging, while offering an attractive and almost immediate return on investment. ■

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Employee benefit plans

How they are impacted by the Economic Growth and Tax Relief Reconciliation Act

By Mary Prewett
Benefits Administrator
Arizona State Compensation Fund

ERTA, ERP, EITF, EPCRS, ERISA, ESOP, EEOC or EGTRRA?

Amid all the "E" acronyms, a new one appeared in 2001. The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), effective Dec. 31, 2002, made numerous changes to rules for pensions and benefits plans.

Busy human resource and benefits professionals must continually stay abreast of the changing law and how it affects their employer-sponsored benefit plans.

All of the EGTRRA's changes might be temporary since the law includes a sunset provision that returns everything to pre-EGTRRA status beginning in 2011.

Along with EGTRRA, President Bush signed into law the Job Creation and Worker Assistance Act of 2002 (JCWAA). This job-stimulus bill makes technical corrections to EGTRRA and provides temporary funding relief for defined-benefit plans and other benefit plans, which are effective for years beginning after Dec. 31, 2001.

The 2002 Tax Act amendments to EGTRRA also will be subject to the sunset provision and will expire for years beginning after Dec. 31, 2011. At that time, pre-JCWAA and EGTRRA laws will be reinstated unless new legislation is passed.

While there are many resources describing the changes for defined-benefit plans, the focus of this discussion is the miscellaneous provisions of EGTRAA. How do EGTRRA and JCWAA affect Cafeteria Plans? One change is the extension of Archer Medical Savings Accounts program, which was scheduled to expire on Dec. 31, 2002. This program has been extended one more year, until Dec. 31, 2003.

Another change in Cafeteria Plans is the Adoption Credit and Adoption Assistance tax credits. These were expanded by EGTRRA from a maximum of $5,000 to a maximum of $10,000 effective for tax years beginning after 2001 ($6,000 for a special needs child). In the case of the adoption of a child with special needs, for tax years beginning after 2002, the taxpayer will be allowed to take a $10,000 credit regardless of the amount of the qualified adoption expenses.

Additionally, EGTRRA made corresponding changes to the limits on employer-provided adoption assistance—$10,000 less any previous qualified adoption expenses. The 2002 Tax Act clarifies the amount of expenses paid or incurred during taxable years beginning before 2002 that are taken into account for determining a credit allowable in 2002.

EGTRRA affects the Health Insurance Portability and Accountability Act (HIPPA) for group health plans and Flexible Spending Accounts. Dependent Care Credit allows an increase in deemed earned income for spouses under EGTRRA. Beginning in 2003 a taxpayer may take into account $3,000—increased from $2,400—for employment-related dependent care expenses for one qualifying individual and $6,000—formerly $4,800—for two qualifying individuals. The amount of the tax credit is limited to the participant and the participant's spouse. Special rules may apply for a spouse who is a student.

Educational assistance programs. EGTRRA made the IRC Section 127 exclusion from income for employer-provided educational assistance benefits permanent from an employee's gross income. Undergraduate and graduate level course expenses may be reimbursed under the education assistance program.

Qualified state tuition programs. EGTRRA made several favorable changes to the operation of qualified state tuition programs under Section 529. Most importantly, distributions from these plans used for qualified education benefits no longer will be subject to federal income tax effective Jan. 1, 2002. Private colleges and institutions may set up their own tuition credit programs starting in 2002 with distributions allowed in 2004.

Under Section 529, the program expansion of EGTRRA allows distributions from one qualified program to be rolled over to another program on behalf of the same beneficiary, as well as on behalf of a family member, including a cousin, without triggering a taxable distribution. These distributions may be made only once in a 12-month period.

Education IRAs. EGTRRA made setting up education IRAs more advantageous and practical for many taxpayers. The limit for annual after-tax contributions was increased from $500 to $2,000 beginning in 2002. The definition of qualified education expenses was expanded to include qualified elementary and secondary school expenses for both public and private schools, including tuition, living expenses, and the purchase of computer equipment and Internet access.

Employers may wish to consider facilitating payroll deduction arrangements for employees with education IRAs. Payroll deduction arrangements provide a valuable benefit to employees with minimal cost and effort on the part of the employer. Properly communicated, it is also a good way to educate employees on the benefits of tax-favored savings. ■

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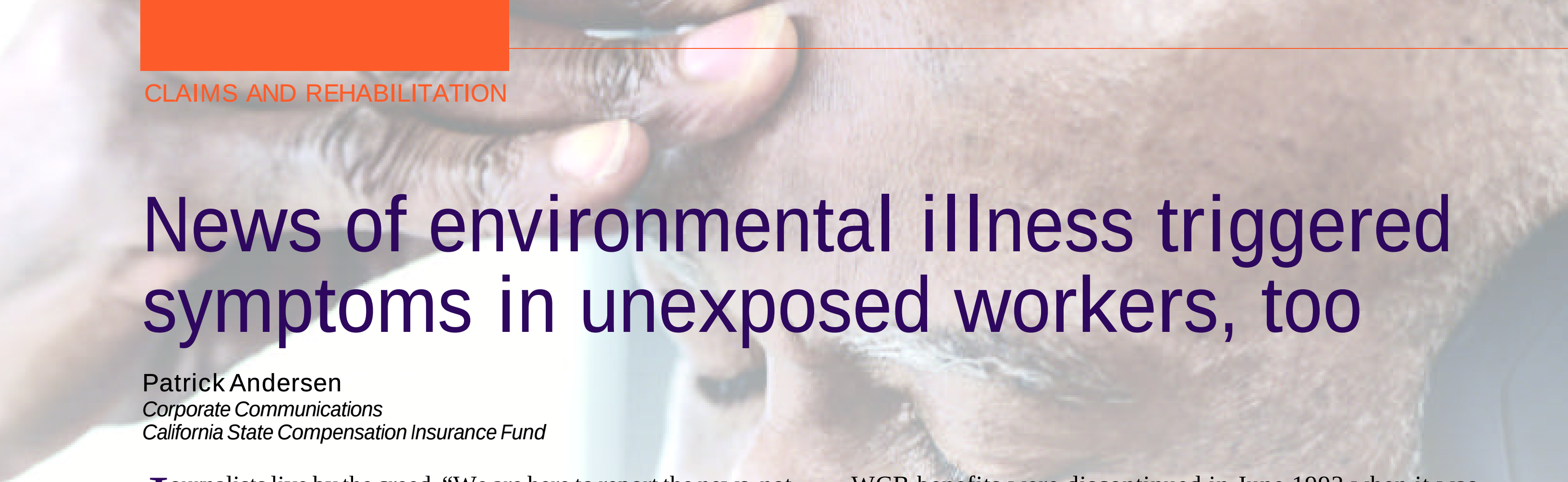

News of environmental illness triggered symptoms in unexposed workers, too

Patrick Andersen
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California State Compensation Insurance Fund

Journalists live by the creed, "We are here to report the news, not to make the news." But there is always the danger that the competition to craft a sensational headline can overshadow the facts.

Nancy MacCready-Williams, vice president of client services for the Workers' Compensation Board of Nova Scotia, warned that news reports of environmental illnesses may sometimes trigger symptoms in people who have not even been exposed to the irritants in question.

She made her comments at the AASCIF Claims and Rehabilitation Committee workshop last fall in San Francisco. She gave highlights of more than 15 years of health complaints, workers' compensation claims and intense public controversy arising out of environmental concerns at a healthcare facility for veterans.

The WCB of Nova Scotia, since its inception, has had claims for exposure to chemicals in the workplace. Basically, these involve a documented exposure to a substance above a medically or scientifically determined threshold, and the worker suffered symptoms in keeping with that exposure.

'Multiple chemical sensitivity' claims

In the late 1980s and especially 1991-92, different sorts of workplace-exposure claims began to be filed. These were received from workers at the Camp Hill Medical Centre, were categorized as "environmental illness," and then developed over time into claims for multiple chemical sensitivity (MCS).

The environmental concerns at the facility eventually resulted in 833 claims for environmental illness, of which 517 were time-loss claims.

Investigation determined that problems with the heating, ventilation and air conditioning systems were impacting the facility's working conditions, and those problems were identified and corrected. However, by this time the news of the "environmental illness" affecting workers at the facility had been widely reported. More workers began to suspect they too had been exposed.

"The entrepreneurial spirit is alive and well in Canada," MacCready-Williams said. "Suddenly we saw a number of providers claiming to be able to magically cure environmental illness and MCS."

Initially, claims from workers at Camp Hill Medical Centre were accepted because it was demonstrated that there was workplace exposure to chemicals that caused illness that, for some, prevented them from working. Workers' compensation benefits were provided for two months to two years.

WCB benefits were discontinued in June 1993 when it was proven that the air was clean and there was no objective medical evidence to support ongoing disability. At that time, workers who felt they could not return to work approached their employer for assistance. In turn, the NS Department of Health provided a special fund to cover disability benefits for those individuals. As well, some workers sought WCB benefits through the appeal system.

'It's all in your head'

The Workers' Compensation Appeals Tribunal made a variety of decisions about MCS between 1995 and 1999 but eventually ruled in 2000 there was no evidence of chemicals in the work environment that could explain the workers' continuing condition. The ailment "is a constellation of physical symptoms which are the manifestation of a psychological disorder."

"You can imagine the field day the press had," MacCready-Williams said. "The subtext of the stories was, 'It's all in your head.'"

In its decision, the WCAT found that the workplace relationship to MCS arises from a number of factors including:

- The condition arises, at least in part, out of the sufferer's own belief that his or her illness was caused by exposure to workplace toxins.
- The sufferer's belief is generally shared by his or her workplace colleagues. Widespread publication of the illness throughout the media contributes to "spreading" or "contagion" aspects of the environmental illness syndrome phenomenon.
- Investigative and "clean-up" measures undertaken by an employer at the worksite also contribute to the sufferer's general belief of the existence of an environmental problem within the workplace which caused them to be ill.
- The sufferer's belief system as to the origins of his or her illness was shared and promoted by his or her treating physicians. The illness was, at least in part, physician-induced.

Dr. Gideon Letz, medical director of California's State Compensation Insurance Fund, agrees perceptions can create symptoms.

"If you believe you have been poisoned, you are going to get sick," he said at the workshop. "Malingerers are at one end of the spectrum, but MCS sufferers are at the opposite end of the spectrum. They have real problems," but medical science has not been able to determine their root cause, Letz said. ■

Communications contest entry forms going out

Watch the mail in April for your entry forms for the 2003 AASCIF Communications Awards.

Take this opportunity to compete with the best communications and marketing work produced across AASCIF.

This year there will be even more chances to win. Prizes will be awarded in 13 categories plus Best of Show:

- External brochures
- Newsletters (external)
- Newsletters (internal)
- Annual reports
- Audiovisual productions
- Print advertising campaigns
- Radio/TV advertising campaigns
- Excellence in writing
- Internal communications campaign
- External communications campaign
- Website
- Open category
- Information kits. This is a new category added this year.

Items produced between May 1, 2002, and May 1, 2003, are eligible for entry.

Contest announcements will be sent to funds by early April. The entry form can also be downloaded from AASCIF's website at www.aascif.org under "News & Events." Entry deadline is May 15.

Winners will be announced at the annual conference in August in Vancouver, BC.

For more information, please contact Tom Clark, California State Compensation Insurance Fund, (714) 565-1104 or visit AASCIF's website.

Terrorism Risk Insurance Act

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precise manner of calculating and imposing the surcharge. The secretary is specifically instructed to take into account the economic impact that a surcharge could have on urban, small commercial, and rural areas.

Claims administration

Claims for federal payments must be submitted to the Treasury Department and be certified to be in compliance with all requirements of the Act and any other requirements Treasury may impose.

The Act grants the Treasury secretary the power to investigate and audit claims and to promulgate regulations governing the claims process. Those regulations are required to ensure that "all insurers and self-insured entities that participate in the program are treated comparably."

The secretary has the authority to net out amounts insurers owe to the government—insurer deductibles and policy surcharges—and amounts the government owes insurers for the federal share of compensation.

Effect on reinsurance

The Act states that it does not prevent insurers from obtaining reinsurance to cover their insurer deductible and their 10 percent quota share of losses that exceed their deductible.

Further, the legislation is clear that the existence of such reinsurance coverage does not affect the calculation of insurer deductibles. Government financial assistance available under the program will not be reduced by amounts of reinsurance recoverables. The only exception is that reinsurance recoverable payments and government payments, in the aggregate, may not exceed the insurer's total terrorism losses in a program year.

Conclusion

TRIA imposes some administrative burdens as described above that state funds should be attending to now as an urgent matter. Further details on how the Act will apply to state funds may be forthcoming in Treasury regulations to be issued later.

Despite the burdens, however, the Act brings a significant benefit in that state funds now know they have no-cost, 90 percent indemnification from the federal government above their deductible for losses resulting from acts of terrorism as defined.■

This article was excerpted and edited by AASCIF National Issues Committee members Terry Frakes of Texas and Dennis Lloyd of Utah from a research paper by Robert W. Woody, Esq. of LeBoeuf, Lamb, Greene & MacRae. The entire text of Mr. Woody's research paper has been distributed by the National Issues Committee to each AASCIF member's legal department. It can also be downloaded from the Library on AASCIF's website www.aascif.org

Alberta

Although the Workers' Compensation Board-Alberta continues to have one of the lowest premium rates in Canada, the average premium rate for 2003 will increase 12.5 percent to meet the rising costs of work injuries.

The WCB-Alberta has developed a seminar for employers interested in developing a workplace violence prevention program. In partnership with Alberta Human Resources and Employment and the Edmonton Police Service, the WCB developed an 18-minute video as a companion to the guide and seminar and illustrates workplace violence scenarios faced by employers.

Arizona

In March 2002, State Compensation Fund officially kicked off its corporate Charitable Giving Program. Since then, SCF has matched more than $15,000 in employee contributions and donated $17,650 for events like Habitat for Humanity, Kids' Chance of Arizona and the University Medial Center Trauma Center in Tucson. SCF encouraged employees to volunteer time to worthy charitable activities and allows employees up to 12 paid work hours per year for volunteer work. SCF employees enthusiastically responded by logging 313 work hours and 687 non-work hours for volunteer work in 2002.

California

Dianne C. Oki has been chosen to succeed Kenneth C. Bollier as president of the State Compensation Insurance Fund. Bollier's retirement at year-end '02 culminates 38 years of service and leadership that enabled SCIF to play a significant role in the stability of California's workers' compensation system, which has witnessed the worst financial crisis since the Great Depression. Oki brings more than three decades of experience to her new post, including 13 years on the Executive Committee. James C. Tudor, vice president on the Executive Committee, succeeds Oki as executive vice president.

Colorado

In late 2002, Pinnacol Assurance rolled out a fresh look in its print advertising campaign focusing on the intangible benefits of coverage through Pinnacol Assurance. See samples of the ads at www.pinnacol.com.

Pinnacol Foundation cookbook fundraiser successfully raised money for its scholarship program, which gives opportunities to the children of Colorado workers injured or killed in compensable, work-related accidents. The $10 cookbooks feature more than 300 employee-submitted recipes. To purchase a cookbook, call (303) 361-4775.

Judy Durrenberger has joined Pinnacol Assurance as director of Medical Operations. Durrenberger has an MBA from Pepperdine University and most recently worked for IBM Consulting and provided consulting services to California's State Compensation Insurance Fund.

Pinnacol Assurance's Fifth Annual SelectNet Conference, "In Search of MMI," drew more than 125 participants to a full day of presentations explaining practice management principles specific to some very difficult injured worker cases.

Hawaii

Hawaii Employers' Mutual Insurance Co. was nominated for Pacific Business News' "Best In Business" award, which recognizes premiere businesses that demonstrate leadership, revenue growth, innovation and community commitment. In addition, Robert L. Dove, president and CEO, was nominated for the "Business Leadership" award.

HEMIC has rolled out its redesigned website at www.hemic.com. It offers insureds and agents easier access to a variety of information.

HEMIC is working with occupational medicine providers to develop a pilot project comprised of "HEMIC approved" providers. Insured employers that embrace the concept and receive non-binding affirmations from their employees to use the network qualify for a 5 percent premium credit.

Louisiana

A.M. Best affirmed Louisiana Workers' Compensation Corporation's strength with an upgrade from an "A-" to "A" (Excellent) rating. LWCC has also been named one of the top 50 property and casualty insurers in the nation by Ward Group, the national authority on benchmarking insurer performance.

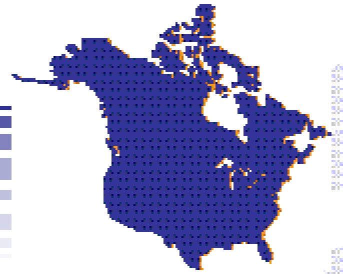
This past fall, LWCC partnered with the Louisiana Highway Safety Commission to increase seatbelt usage through the state's public and private sector employers. The program's goal is to increase seat belt usage from 68 percent, where it has remained constant for the past three years. LWCC participated in a press conference and has developed a sample seat belt policy that can be downloaded from its website at www.lwcc.com.

Maine

In January 2003, Maine Employers' Mutual Insurance Company issued its first-ever dividend to policyholders. The dividend of $6 million went to policyholders from the 2000 policy year. The amount was the equivalent of 7 percent of earned premium from that year.

MEMIC was named to the "Ward 50," a list of the top 50 property and casualty insurers in the country. Being named to the Ward 50 puts the company among the top 2 percent of insurers.

MEMIC's safety department unveiled a new internet-based tool which will help customers assess their current safety programs. The Online Safety Director uses a series of online questionnaires to determine the current state of an organization's safety program. Once the ques-



tionnaire has been completed, a list of corrective actions is generated. The items are linked to resources from MEMIC or recommended by MEMIC safety professionals.

Maryland

Injured Workers' Insurance Fund scored its first fraud victory of 2003. A claimant pled guilty to insurance fraud in January and was ordered to pay IWIF full restitution of $10,972. In 2002, IWIF retrieved more than $2 million by referring 31 individuals for prosecution.

Maryland's top 100 independent insurance agents gave IWIF a 90 percent overall satisfaction rating for 2002, a 16 percentage-point increase over 2001 survey results. The survey revealed that 98 percent of agents would recommend IWIF to their clients. According to 300 randomly selected IWIF policyholders, 92 percent plan to renew their policies with IWIF in 2003, up slightly from the previous year.

To maintain customer satisfaction levels, IWIF hired Emily Huling, president of Selling Strategies Inc. An international consultant, speaker and trainer to the insurance industry, Huling's "how-to" strategies offered practical advice and service techniques to IWIF employees.

Minnesota

Minnesota State Fund Mutual Companies launched a prescription benefits management program in January to help control rising prescription drug costs. Services are provided by St. Louis-based Express Scripts. SFM's initial mailings to claimants include personalized identification cards and instructions on choosing pharmacies to get prescription drugs refilled.

SFM continues its No. 1 ranking among large Minnesota insurers for prompt action on lost-time claims, according to the state's 2002 Prompt First Action Report. Nearly 93 percent of SFM's lost-time claims were paid or denied within the statutory 14-day period. Most of the claims that didn't make the deadline were due to late reporting by employers. SFM's timely reporting campaign "ACT in 5"—which stands for "accurate, complete, timely reporting in 5 days"—appears to be effective in getting more employers to report injuries promptly.

Online claims reporting by SFM policyholders recently reached an all-time weekly high of 47 percent, pushing the overall weekly average over recent months to about 40 percent.

Missouri

Missouri Employers' Mutual Insurance filed an average base rate increase of 14.4 percent for 2003. This increase is below national averages of 15 to 25 percent, according to filings by other states.

MEM President and CEO Dennis Smith says approximately 80 percent of the increase is a result of rising reinsurance costs. In addition, medical and indemnity trends are each increasing at a yearly rate of 7 to10 percent, and investment returns dropped 40 percent in 2001.

In the fourth quarter 2001, approximately 25 percent of renewals nationally were at a rate increase exceeding 30 percent, and a small percentage were increasing more than 100 percent, according to the Council of Insurance Agents and Brokers. Smith says MEM is able to more appropriately match price with risk and exposure, as well as mitigate rising reinsurance and inflation costs, with its rate increase.

Montana

Carl Swanson, president and CEO of Montana State Fund, retired Feb. 21. Swanson's retirement concludes eight years of service and leadership. Laurence Hubbard, vice president Insurance Operations, has been named by the board as interim CEO until a replacement is found.

Peter Strauss has been selected as vice president of Insurance Operations Support. He will lead MSF's efforts in the areas of underwriting, claims, safety, fraud and legal services. Strauss was most recently the state relations executive for the National Council on Compensation Insurance Inc.

Harold Williams has been selected as the chief information officer. He will be responsible for planning, organizing and controlling MSF's information technology operations. Williams was formerly president of Connaissance Consulting, a CRM e-business services company in Columbus, Ohio.

Through the new MSF scholarship program, nine higher education scholarships have been awarded to children and spouses of workers fatally injured in work accidents.

New Brunswick

The WHSCC of New Brunswick will be hosting the Association of Workers' Compensation Boards of Canada Learning Symposium this year in historic St. Andrews-by-the-Sea. Workplace insurance representatives across Canada and the United States are invited to attend Sept. 21-24. For information, go to www.whscc.nb.ca.

Robert Scott has been selected as the WHSCC's new chairperson. Scott is the founder of R.M. Scott Insurance Agency, a successful business operating in the city of Saint John. Scott has served on numerous boards in the community and remains an active volunteer with several organizations.

New Mexico

Warren Smalley, president and CEO of New Mexico Mutual Group, announced his planned retirement. Warren has served NMMCG since it was founded in 1991. The company was started with zero assets, one policyholder and a $10 million debt obligation. The Group today employs more than 140, has created assets of $156 million, has 7,000 policyholders, and has built surplus to more than $57 million. Warren was the first employee of this company and has been largely responsible in helping it grow to the organization it is today. Warren will continue to serve until the Board of Directors completes a search for his replacement.

New York

The New York State Insurance Fund Division of Confidential Investigations turned in a successful year in the fight against workers' compensation and disability benefits fraud, ending 2002 with 105 arrests and more than $17.65 million in restitution, additional billed premium and potential future savings. The numbers add up to a return on investment of 8-to-1 for NYSIF's anti-fraud program. Statewide, the NYS Insurance Department had a record year, logging 707 insurance fraud arrests.

NYSIF actively engages in seminars to educate prosecutors in workers' compensation fraud law.

In January, NYSIF started offering policyholders the option of paying premiums by credit card over the Internet or telephone through a third-party vendor. The service provides convenience and speed, posting payments to customer accounts the next business day.

North Dakota

In 2002, North Dakota employers paid the lowest workers' compensation premium rates in the nation, according to a survey by the Oregon Department of Consumer and Business Services. National premium rates ranged from North Dakota's low of $1.24 per $100 of payroll to a high of $5.23 per $100 of payroll in California.

North Dakota employer premium rates have declined for eight straight years. Total premium collected peaked in fiscal year 1996 at $133 million while in fiscal year 2002 it was $93 million, a 30 percent reduction. During that same time, claims by workers declined from 7.47 per 100 workers in 1996 to 6.60 per 100 workers in 2002. North Dakota employers' emphasis on safety and return-to-work, which began in the mid-1990s, has helped reduce the number of claims, thus reducing premiums.

Nova Scotia

The Workers' Compensation Board of Nova Scotia has embarked on a system-wide strategic planning process. At the request of the government and brought about by a workers' compensation review committee, the WCB and partners in the system will develop a plan that includes a new vision, mission, and goals for Nova Scotia's workplace safety and insurance system. This comprehensive strategic plan will encompass measurable targets, objectives and initiatives with an inclusive stakeholder consultation process to assist in its development. The stakeholder consultation is already under way, with the key partners in the system meeting with key opinion leaders through roundtable meetings, focus groups, one-on-one meetings and soliciting feedback via the Internet. This strategic planning and consultation effort is designed to improve outcomes for workers and employers, improve service delivery, ensure effective governance of the system and ensure financial sustainability of the system.

Ohio

Several pieces of workers' compensation legislation were signed into law. Substitute Senate Bill 223 allows the Ohio Bureau of Workers' Compensation to pay for diagnostic testing services for emergency workers such as firefighters, police officers and paramedics for blood-borne pathogens. Under Senate Bill 227, Ohio's new subrogation statute, BWC would recover claims costs only for items in which the injured worker would have received a double recovery of benefits. The Ohio Supreme Court bill also increased funeral expenses from $3,200 to $5,500.

An executive order implementing a stronger drug-free workplace policy for state-funded construction projects was signed by Gov. Bob Taft. Contractors and subcontractors will be required to enroll in BWC's Drug-Free Workplace Program, Drug-Free EZ Program or a comparable program.

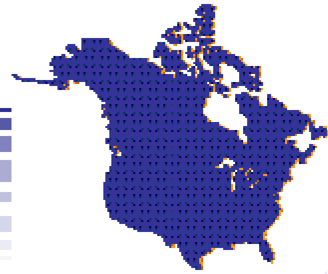
Public employers will receive a 50 percent discount on 2003 premiums. However, the increasing cost and number of workers' compensation claims in the public sector made it necessary to raise premiums an average 12.1 percent. Private employer rates remain stable and private employers will receive a 75 percent dividend on the most recent billing.

Oklahoma

CompSource Oklahoma has entered into an agreement to partner with Blue Cross and Blue Shield of Oklahoma to reduce medical costs for policyholders. "Using a PPO network will provide millions of dollars in savings to Oklahoma businesses and policyholders. It will assist in curbing medical cost inflation and rising workers' compensation costs," said President and CEO Terry McCullar. "This program will allow us to continue to provide the best medical care available for the claimant while also realizing cost savings for our policyholders."

Oregon

A County Circuit Court judge granted SAIF Corporation's motion for summary judgment in Artisan Laboratories vs. SAIF Corp., stopping the lawsuit for now on the grounds that it had no issues that could be solved by a trial. The lawsuit, filed in April 2002, alleged that SAIF had systematically overcharged its policyholders, kept inappropriate amounts of surplus and reserves, and had not refunded the excess to policy-



holders in the form of dividends. CEO Katherine Keene said at the time that SAIF believed the allegations were "merit-less" and that SAIF's record "stands for itself." Judge Marshall Amiton wrote that the plaintiff had not exhausted all available administrative remedies before filing the suit, and SAIF is not in any way required to pay dividends in any particular year.

Rhode Island

The Beacon Mutual Insurance Company recently added two construction safety specialists and two ergonomists to its staffs of safety professionals. Despite being one of the smallest mutual state funds, The Beacon maintains one of the largest staffs of loss prevention specialists, which currently includes 10 certified ergonomists and 14 safety representatives.

The Beacon's PreventionWorks safety promotion program is emphasized by high customer contact and complimented with a large offering of onsite, open conference and online training and education programs. "A high investment in our loss prevention resources sets us apart from the competition, and our insureds appreciate this effort," says Dave Clark, vice president, Underwriting and Loss Prevention.

Saskatchewan

Workers' compensation stakeholders had the opportunity to learn about the system and network with other safety practitioners during the sixth annual no-cost educational event, Comp Institute, in March. Participants came from across Saskatchewan and western Canada for workshops on wide-ranging topics including the claims process, demographic trends, successful disability management approaches, online transactions and detecting fraud.

The worldwide market downturn is a prime factor behind projected 2002 losses and increased 2003 employer premiums, stakeholders heard at the WCB's annual meeting in October. Lower investment revenue and increased benefits costs, combined with the provincial government's legislated changes, will result in the second consecutive annual operating deficit. Results will be made public in the annual report, expected in the spring. Average premium rates for 2003 increased 9.1 percent to $1.91 per $100 payroll, still the third lowest among Canadian provinces.

Texas

Texas Mutual Insurance Company launched its redesigned website in December. The new design allows customers to access the company's most popular online features directly from the home page. Policyholders can report injuries, create custom loss run reports, analyze loss data and order workplace safety videos, brochures and posters from the company's safety resource library. Agents can get online quotes, and registered agents can access expiration lists, cancellation lists, claim information, and agency and policy-level summaries.

Terry Frakes, senior vice president of Public Affairs, visited with U.S. Treasury officials regarding regulations related to the federal Terrorism Risk Insurance Act of 2002. Frakes and President Russ Oliver's involvement helped to ensure that state fund interests were represented appropriately.

Washington

Paul Trause has been appointed director of the state Department of Labor and Industries, overseeing the agency's 2,700 employees. Trause replaces Gary Moore, who is now serving as the state's first director of Labor Relations within the Office of Financial Management.

Robert J. Malooly, a 30-year veteran of the insurance industry, has been selected to run the state's Insurance Services Division. The division provides workers' compensation coverage to 1.9 million workers and 163,000 employers. Malooly, who rose from claims adjudicator to chairman and CEO of the Industrial Commission of Illinois, replaces Douglas Connell, who retired after 28 years with the department.

West Virginia

Employers now may report injuries by telephone (toll-free) and internet. In addition, an internet-based system that provides access to claims, medical and employer information is being introduced to the employer, legal and healthcare communities. E-COMP (Compensation Online Management Program) provides authorized users with direct access to information in the division's internal system.

Yukon

A new territorial government was elected in Yukon in November 2002. The new government has appointed a three-person panel to conduct a review of Yukon's Workers' Compensation Act in 2003. The legislation makes the review mandatory and requires that it cover the expansion of disability, within the meaning of the Act, the effectiveness and appropriateness of the board administering both the Workers' Compensation Act and the Occupational Health and Safety Act, the use of deeming, the effect of retirement on entitlement, the role and use of indexing benefits, the method and limitations on calculating the maximum wage rate, the role and effectiveness of the workers' advocate, the adequacy of the system for spouses, and any other matter that the minister responsible for the Yukon Workers' Compensation Health and Safety Board may direct.

The territorial government develops the scope and terms of reference for the review.

AASCIF committee goals for 2003

Here in abbreviated form are the 2003 goals for AASCIF's committees. For the full version of each committee's goals, go to AASCIF's website www.aascif.org, click "Directory," then "Standing committees."

Audit and Statistics

Update AASCIF Fact Book. Coordinate contacting AASCIF funds for updates to the online Fact Book.

Perform annual audit of AASCIF. Present results to AASCIF officers at the August annual conference.

***AASCIF News* articles.** Corporate governance, risk analysis, fraud.

Workshop. Coordinate with Canada Workers Compensation Boards' Internal Audit National Conference. Edmonton, Alberta, Sept. 17-19.

Claims and Rehabilitation

Comparative analysis. Claims-related issues at the state funds.

***AASCIF News* articles.** Connection between special investigations and claims, pain management, subrogation, bad faith.

Workshop. Medical issues, Medicare set-aside trusts, reserving. Charleston, S.C., October.

Communications

Communications Contest. 13 categories. Announcements mailed in April.

***AASCIF News* articles.** Policyholder seminars, Communications Contest results, branding, e-services, clear language.

Workshop. Seminars, branding, small-business market, e-services, e-newsletters, copyright law, intranets. Charleston, S.C., October.

Finance and Investment Committee

Annual finance and investment survey.

***AASCIF News* articles.** Securities impairment, reinsurance.

Workshop. San Diego, Sept. 14-16.

Human Resources

Compensation and benefits survey.

AASCIF website. HR personnel directory and fact sheet for each company. Outsourcing information.

Workers' Compensation 101. New employee orientation information, work comp courses from all HR departments in AASCIF.

***AASCIF News* articles.** Online training, federal Labor Standards Act, military leave.

Workshop. HR best practices. Date, place TBD.

Information Technology

Business technology assessment. Survey of state funds to assess key technologies.

***AASCIF News* articles.** Information privacy, open-source technology.

Workshop. Emerging technologies, open-source technology, email management, return on investment, IT organizational structure.

Law

Two surveys. Top 10 cases nationwide. Fraud.

***AASCIF News* articles.** Smallpox inoculations, fraud.

Workshop. With the National Issues and Policyholder Services committees. PEOs, top 10 cases survey, legislative matters, fraud. New Orleans or Charleston, S.C., October.

National Issues

2003 AASCIF Conference. Assist British Columbia.

AASCIF Executive Committee. Work with committee in developing a system to monitor federal threats and attacks from other sources.

Monitor terrorism implementation.

***AASCIF News* articles.** Terrorism, California experience, PEOs.

Workshop. Terrorism, ethics in governance, privacy, federal chartering, threat of legislative raids. New Orleans, October.

Policyholder Services

***AASCIF News* articles.** Performance measures, premium audit.

Workshop. PEOs, offering services in a hard market, premium audit, performance measures.

Safety and Health

***AASCIF News* articles.** OSHA compliance vs loss prevention, research study results.

Workshop. LP effectiveness, breakout sessions, e-learning, safety program development, staff development. New Orleans, October.