

2019 HOUSE INDUSTRY, BUSINESS AND LABOR

HCR 3030

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

HCR 3030
2/4/2019
32051

- Subcommittee
 Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Recognize Monday, March 4, 2019 as "North Dakota Workforce Safety & Insurance Day" & to congratulate Workforce Safety & Insurance on its 100th anniversary.

Minutes:

Attachment 1

Vice Chairman Lefor: Opens the hearing on HCR 3030.

Chairman Keiser~District 47: Introduces HCR 3030. We are at a point in the state's history where the Bank of ND & WSI, both are celebrating their 100th anniversary. It recognizes March 4, 2019 WSI day for observances. It's important to put in record the achievement they made.

Bryan Klipfel~WSI Director: Attachment 1.

5:30

Chairman Keiser: Anyone else here to testify in support, opposition, neutral position? Closes the hearing. What are the wishes of the committee?

Rep Adams: Moves a Do Pass.

Rep Laning: Second.

Chairman Keiser: Further discussion?

Roll call was taken for a Do Pass on HCR 3030 with 13 yes, 0 no, 1 absent & Rep Laning is the carrier.

Date: Feb 4, 2019

Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 3030

House _____ Industry, Business and Labor _____ Committee

Subcommittee

Amendment LC# or
Description: _____

Recommendation

- Adopt Amendment
- Do Pass Do Not Pass Without Committee Recommendation
- As Amended Rerefer to Appropriations
- Place on Consent Calendar

Other Actions

- Reconsider
- _____

Motion Made by Rep Adams Seconded By Rep Laning

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	<input checked="" type="checkbox"/>		Rep O'Brien	<input checked="" type="checkbox"/>	
Vice Chairman Lefor	<input checked="" type="checkbox"/>		Rep Richter	<input checked="" type="checkbox"/>	
Rep Bosch	<input checked="" type="checkbox"/>		Rep Ruby	<input checked="" type="checkbox"/>	
Rep C Johnson	<input checked="" type="checkbox"/>		Rep Schauer	<input checked="" type="checkbox"/>	
Rep Kasper	<input checked="" type="checkbox"/>		Rep Adams	<input checked="" type="checkbox"/>	
Rep Laning	<input checked="" type="checkbox"/>		Rep P Anderson	<input checked="" type="checkbox"/>	
Rep Louser	<input checked="" type="checkbox"/>		Rep M Nelson		<input checked="" type="checkbox"/>

Total (Yes) 13 No 1

Absent 0

Floor Assignment Rep Laning

REPORT OF STANDING COMMITTEE

HCR 3030: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING).
HCR 3030 was placed on the Eleventh order on the calendar.

2019 SENATE INDUSTRY, BUSINESS AND LABOR

HCR 3030

2019 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

HCR 3030
2/27/2019
Job #32926

- Subcommittee
 Conference Committee

Committee Clerk: Amy Crane

Explanation or reason for introduction of bill/resolution:

A concurrent resolution to recognize Monday, March 4, 2019, as "North Dakota Workforce Safety and Insurance Day" and to congratulate Workforce Safety and Insurance on its 100th anniversary.

Minutes:

Att. #1

Chairman Klein: Opened the hearing on HCR 3030. All members were present.

Bryan Klipfel, WSI Director: see attachment #1 in support of the resolution.

Chairman Klein: When I first started it was a different time around here. WSI used to be very upside down. We've come a long way. This room used to be full of injured workers. We're moving the right way. When you get an approval rating, how's that working out?

Bryan: We generally try to make sure our customers like what we do. So we send out surveys to our injured workers, claims we've denied and those we've approved. The survey is 1-5, and we're usually 4.1 or 4.2. We send out surveys to our employers and even medical providers and they've all come back fairly high. We take care of the customers the best that we can. We're an insurance company and there is always gonna be people who feel that their claims weren't handled properly, and we get that and we try really hard that the claim is managed properly, we follow the laws as far as the benefits that we can give.

Chairman Klein: Once again, the legislature gives you the rules and ground work that you have to apply. And that's where we're trying to get that tweaked if we need to.

Bryan: You had mentioned in the early '90s we had like \$250 million unfunded. We were really in the red as an organization. We had the reforms in the latter part of the 1990s, which changed the benefit structure. Since that time, the legislature has made a lot of changes to increase the benefit structure for our injured workers. It's to the point now, where like in 2007-2009 there were a lot of changes made to loosen up the restrictions a bit. And now there hasn't been a lot of changes since. But to your point, the legislature is the one that says what we can pay for and what we can't. We have the responsibility of saying if its work related or not, but as far as what we can pay for, the legislature does that.

Chairman Klein: For the committee's benefit, you want to tell us if we have an injured worker that has an issue, how do we get the release, and all that?

Bryan: We have a really good process of handling claims, we've been around 100 years and we've got a really good system to handle the claims. When a claim comes in, it gets managed right away. So a claim adjuster is the one that manages all the claims and a serious injury, they'll assign a nurse case manager or whatever. And then, if there is a denial of some sort, there are so many catchalls along the way to make sure the right decision is made on an injured worker. So the claims adjuster will manage the claim, and then if the injured worker, say for example we deny a body part because we feel it wasn't work related, we assign a nurse, we have rehab, and then if the injured worker still says this isn't right, and we send out a notice addition saying we're not gonna cover your claim, they have some time to appeal that. If they appeal that, there's an administrative log claim that says you have the right to appeal this. A lot of times we'll send them to the decision review office, which is still WSI employees but they are a separate facility, they will look over the claim again to make sure the decision is made right, and if the decision hasn't been changed, there is a provision that attorneys can get up to \$500 just reviewing the particular paperwork of that injured worker to see if they want to continue on to office administrative hearings. So the point I'm making is there's a lot of steps in between there that we can a lot of times catch if there is some grey area where we could've made a different decision. If for example, an injured worker gets ahold of you as a legislator and said WSI did this improperly on this claim, you can get ahold of WSI and we'll send you to constituent services, and that's Chuck Hoker who has been around for a long time and he does a very good job. And he'll contact you and say we can't provide you any information on this claim because of confidentiality but if you sign this release or the injured worker signs the release, we'll send all the paperwork out to the injured worker and then we can talk to you about the claim. It's important to hear both sides of the story. So you can see where we're at. We make good decisions for the most part.

Chairman Klein: I've been involved in those a number of times and asked for the release. And sometimes they do the release but once its asked for they go well never mind I guess I'm okay. Over the years we've provided additional scholarship dollars, death benefit dollars, and some other things we've provided to help those folks. The death benefit was really, it's interesting, we do have deaths in North Dakota related to injured workers and the help that we provide then for the families.

Senator Roers: Last session we had conversation about companies that had injured workers but their costs weren't enough to pay for the injured workers, we were looking at bonding it or paying them additional fees, where are you on that front?

Bryan: We have the insurance pool, so these companies that come in their gonna pay a little more because most of those companies were the type where there was hazardous type work like construction or oil field. Those companies pay a little bit more but if they have a lot of injuries, a lot of times even with the surcharge on the premiums, they're not gonna cover what an injury costs because you can get in the millions of dollars for injuries. So it's never gonna cover that, but that's why you have the pool and that's how we set rates and all that to make sure that we can cover that.

Senator Roers: But the pool costs us as a state more money, weren't we looking at bonds or something that would save us from taking over those debts of those out of staters? For the fact that they may leave town and leave us with these debts and these bills to take care of?

Bryan: Probably since the last session we really haven't had the issue that we had prior to that, I don't think we've used it very much. But if we ever get to that point again we will use it. As far as our delinquent premiums we were in the \$12-13 million range and now we're down to \$6-7 million. That makes it really difficult for these companies that come in and leave right away. It's hard but we can charge them some down payment on their premium to make sure we get some of that so we've got some tools where we can do those sorts of things.

Chairman Klein: Talking about injured workers, having said that, the organization, as we've got into the positive dollar sign. We should be congratulating the 100 years on what we've done here.

Chairman Klein: Closed the hearing on HCR 3030.

Senator Roers: Moved a Do Pass.

Senator Kreun: Seconded.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.

Motion Carried.

Chairman Klein will carry the resolution.

REPORT OF STANDING COMMITTEE

HCR 3030: Industry, Business and Labor Committee (Sen. Klein, Chairman)
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HCR 3030 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

HCR 3030

2019 House Concurrent Resolution No. 3030

Testimony Before the House Industry, Business and Labor Committee

Presented by Bryan Klipfel, WSI Director

Workforce Safety and Insurance

February 4, 2019

Mr. Chairman and Members of the Committee:

My name is Bryan Klipfel, Director of WSI. I am here today to provide information regarding HCR 3030. HCR 3030 is a concurrent resolution congratulating Workforce Safety & Insurance on its 100th anniversary. I, as well as the WSI Board of Directors, would like to thank the sponsors of the resolution as well as this committee for their consideration.

We began operations on July 1, 1919, as the North Dakota Workmen's Compensation Bureau and initially were housed in the old Northwest Hotel in downtown Bismarck.

1919 was a watershed year in North Dakota politics. In the early 20th century, workers were beginning to leave the farms and were working in sometimes dangerous factory conditions. If they got hurt or killed on the job, there was no government program to help them pay for their medical bills or provide a wage replacement to them or their family and dependents.

Beginning in the early 20th century, states began to adopt workers' compensation laws, designed to provide a safety net for those employees hurt on the job. Wisconsin passed the first comprehensive workers' compensation law in 1911, while Mississippi was the last state to jump onboard in 1948.

In 1919, the Non-Partisan League created three institutions that year that still resonate strongly in our state 100 years later. The Bank of North Dakota, The North Dakota State Mill and Elevator and the then called, Workmen's Compensation Bureau, now known as Workforce Safety & Insurance (WSI).

The law creating WSI, House Bill 56 was introduced by state representative George Malone of McLean County. Representative Malone was a coal miner who served as the Secretary-Treasurer of the United Mine Workers local 3803 of Wilton, North Dakota. In 1919, Wilton was home to the largest lignite coal mine in the world. Some 400 miners worked underground in Wilton digging coal which was shipped east on the Soo Line Railroad.

House Bill 56 eventually passed both houses and was signed into law by Governor Lynn Frazier on March 3, 1919.

The Bureau received its first application for coverage on July 1, 1919, the first day of its operations. Policy number one was issued to the Atlantic Elevator Company. The company owned a string of elevators along the Soo Line railroad and was based in Minneapolis.

Four days later on July 4, 1919 while Bismarck was observing Independence Day with a parade, the first covered injury occurred. While most of the citizens of Bismarck were either watching or participating in the parade, 17-year-old Charles Stearns was opening cream cans for his employer, the Northern Produce Company, at the corner of Front and 10th Streets. In doing so, the teenager cut his hand. Mr. Stearns claim was filed as Claim number one. Mr. Stearns's claim form was filled out with a fountain pen and a typewriter. The injury apparently got infected and required 12 treatments through August of 1919. The total bill was \$15 in 1919 or about \$275 in today's dollars.

In 1934 space was available in the new capitol and the Bureau moved its 19 employees to the 9th floor where it stayed until 1975.

In 1975, the Bureau moved over 50 employees to the Russell Building on Highway 83 north of Bismarck. In 1993 it moved back to downtown Bismarck in the converted Wachter Warehouse. Finally, in 2001 the legislature allowed the agency to construct its own building. In May 2003 the now newly named Workforce Safety & Insurance moved its 212 employees into its current location, the state-of-the-art Century Center. The four-story energy efficient building is also home to other state agencies and departments at 1600 East Century Avenue in north Bismarck.

Over the last one hundred years, despite several changes in the management structure, WSI still regulates an exclusive employer-financed, no-fault workers' compensation insurance system. North Dakota is just one of four states to have this exclusive arrangement with its citizens.

WSI is funded solely by employer premiums and receives no general fund dollars. WSI charges employers insurance premiums based on the risk of a job. In return, WSI provides North Dakota workers coverage for their work-related injuries. WSI sets, maintains and manages its financial reserves to ensure adequate funding to pay the medical and wage-replacement claims for injured employees.

For one hundred years, despite economic, political and management changes, WSI remains prepared to care for injured workers. This concludes my testimony and I would be happy to answer any questions you may have at this time.

2019 House Concurrent Resolution No. 3030

Testimony Before the Senate Industry, Business and Labor Committee

Presented by Bryan Klipfel, WSI Director

Workforce Safety and Insurance

February 27, 2019

Mr. Chairman and Members of the Committee:

My name is Bryan Klipfel, Director of WSI. I am here today to provide information regarding HCR 3030. HCR 3030 is a concurrent resolution congratulating Workforce Safety & Insurance on its 100th anniversary. I, as well as the WSI Board of Directors, would like to thank the sponsors of the resolution as well as this committee for their consideration.

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