

## AGENDA

### SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5<sup>th</sup> Floor  
Columbia, South Carolina 29201

**January 18, 2011 – 10:30 a.m.**

Commission Hearing Room A

*This meeting agenda was posted prior to the meeting, and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act.*

#### **BUSINESS MEETING**

1. APPROVAL OF AGENDA OF BUSINESS MEETING  
of January 18, 2011 **CHAIRMAN BECK**
  
2. APPROVAL OF MINUTES OF BUSINESS MEETING  
of December 13, 2010 (Tab 1) **CHAIRMAN BECK**
  
3. GENERAL ANNOUNCEMENTS **MR. CANNON**
  
4. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) **MR. SMITH**
  
5. DEPARTMENT DIRECTORS' REPORTS  
  
Administration – Financial Report (Tab 3) **MS. GANTT**  
Human Resources (Tab 4) **MS. FLOYD**  
Information Services (Tab 5) **MS. HARTMAN**  
Insurance & Medical Services (Tab 6) **MR. McCUTCHEON**  
Claims (Tab 7) **MR. LINE**  
Judicial (Tab 8) **MS. CROCKER**
  
6. EXECUTIVE DIRECTOR'S REPORT (Tab 9) **MR. CANNON**
  
7. OLD BUSINESS **CHAIRMAN BECK**  
A. Proposed Changes to Regulation 67-405 (C)(1) (Tab 10) Mr. Cannon  
B. Informal Conference Cost Assessment (Tab 11) Ms. Gantt
  
8. NEW BUSINESS **CHAIRMAN BECK**  
A. TTD and TPD Payments Direct Deposit (Tab 12) Mr. Johnnie Baxley, III  
Willson, Jones, Carter & Baxley, P.A.
  
9. EXECUTIVE SESSION **CHAIRMAN BECK**  
A. Personnel Matter
  
10. ADJOURNMENT **CHAIRMAN BECK**

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<b>10</b>	<b>Regulation 67-405 (C) (1)</b>
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<b>12</b>	<b>TTD and TPD Payments Direct Deposit</b>

THE  
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION  
BUSINESS MEETING

**Monday, December 13, 2010**

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, December 13, 2010 at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present at the meeting:

T. SCOTT BECK, INTERIM CHAIRMAN  
SUSAN S. BARDEN, VICE CHAIR  
DAVID W. HUFFSTETLER, COMMISSIONER  
G. BRYAN LYNDON, COMMISSIONER  
ANDREA C. ROCHE, COMMISSIONER  
AVERY B. WILKERSON, JR., COMMISSIONER  
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive Director; Greg Line, Claims Director; Al McCutcheon, Director of Insurance and Medical Services; Virginia Crocker, Judicial Department Director; Eugenia Hollmon, Appellate Program Coordinator; W.C. Smith, Self-Insurance Director; Amanda Underhill, Senior Application Analyst; Betsy Hartman, DSIT; Keith Roberts, Law Clerk; and Cathy Floyd, Human Resources Manager. Visitors present were Ann Margaret McCraw, Midlands Orthopaedics/SCOA; and Clara Smith South Carolina Injured Workers' Advocates.

Chairman Beck called the meeting to order at 10:30 a.m.

**AGENDA**

Commissioner Barden moved that the December 13, 2010 agenda be approved. Commissioner Wilkerson seconded the motion, and the motion was approved.

**APPROVAL OF MINUTES - BUSINESS MEETING OF NOVEMBER 15, 2010**

Commissioner Barden moved that the minutes of the Business Meeting of November 15, 2010 be approved. Commissioner Huffstetler called attention to the fifth paragraph on page 906 of the minutes. The correct heading should read **Injured Workers' Advocates Association Annual Meeting**. Commissioner Roche moved that the minutes of the Business Meeting of November 15, 2010 be approved as amended. Commissioner Williams seconded the motion, and the motion was approved.

**APPROVAL OF MINUTES – CALLED BUSINESS MEETING OF NOVEMBER 16, 2010**

Commissioner Roche moved that the minutes of the Business Meeting of November 16, 2010 be approved. Commissioner Williams seconded the motion, and the motion was approved.

**APPROVAL OF MINUTES – PUBLIC HEARING OF NOVEMBER 29, 2010**

Commissioner Barden moved that the minutes of the Public Hearing of November 29, 2010 be approved. Commissioner Wilkerson seconded the motion, and the motion was approved.

**GENERAL ANNOUNCEMENTS**

Mr. Cannon announced that the staff Holiday Luncheon will be Tuesday, December 14, 2010 at noon.

**APPLICATIONS FOR APPROVAL TO SELF-INSURE**

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Eight (8) prospective members of three (3) funds were presented to the Commission for approval. The applications were:

**Palmetto Timber Fund SIF**

McManus Wood Service  
Stephen L. Whittle Logging, LLC

**SC Automobile Dealers Association SIF**

Harrelson Nissan of SC, LLC  
Orangeburg Motor Sales, Inc.

**SC Home Builders SIF**

Dunwoody Enterprises dba First Response Cleaning & Restoration  
Restoration Unlimited, LLC  
Total Care of the Lowcountry, LLC  
Yasmine Construction, LLC

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure and Commissioner Williams seconded the motion. The motion was unanimously approved.

Mr. Smith presented a request of City of Spartanburg to self-insure. The City of Spartanburg is currently self-insured as a member of the South Carolina Municipal Self-Insurance Trust, a Commission approved self-insurance fund. If approved to individually self-insure for workers' compensation in South Carolina, claims administration will be provided by Hewitt Coleman & Associates in Greenville, SC. Excess insurance coverage will be provided by Safety National Casualty Corporation.

Mr. Smith presented the recommendation that the City of Spartanburg be granted the privilege of self-insuring its workers' compensation liabilities contingent on the following:

1. The City of Spartanburg secure specific excess insurance with an initial retention of not more than \$500,000 and a statutory limit of liability;
2. As required by the SC Workers' Compensation Commission Regulation 67-1516 (B) (C), assurance must be provided that provisions shall be made for the payment of all awards for compensation, medical fees and burial expenses available under the Act. As proof of assurance the City of Spartanburg will each year provide the Self-Insurance Division a copy of its annual budget/financial report or a letter of understanding signed by each member of the board.

Commissioner Wilkerson made the motion to approve the recommendation and Commissioner Roche seconded the motion. The motion was unanimously approved.

### **DIVISION DIRECTORS' REPORTS**

The Division Directors presented their reports which were also submitted to the Commission in written form.

#### **Administration Department**

Diana Gantt presented the financial report for the one-month period ending November 30, 2010. There were no unusual activities to report for the month of November. The benchmark for November is 41.67%. The Commission's revenues are at 48.15% and overall expenses are at 37.7%.

#### **Human Resources Department**

Cathy Floyd presented the Human Resources report for the one-month period ending November 30, 2010. A temporary Human Resource Specialist was hired for the month of November and worked a total of 114.5 hours on Human Resource records management and compliances issues. Ms. Floyd reported that the Employee Advisory Committee continues to make progress on updating the Administrative Policy and Procedures Manual. A Stress Management Workshop was held during the Agency Wide Meeting on November 18, 2010.

#### **Information Services**

Betsy Hartman presented the Information Services Department's report. Ms. Hartman reported that the November 19 Attorney Focus Group Meeting was very positive and IT received valuable suggestions from the participants.

#### **Insurance & Medical Services**

Al McCutcheon presented the Insurance and Medical Services Department's report. Chairman Beck stated that at the last two months' business meetings there was discussion about the decrease in coverage fines assessed. The explanation provided for the decrease of coverage fines assessed August to September was due to a glitch in the computer program. At the November business meeting the explanation provided for the decrease in coverage fines assessed was not a glitch in the computer program but was due

to a new business rule. Chairman Beck asked if \$18,000 or \$19,000 is the normal monthly coverage fines assessed. Mr. McCutcheon said that he did not have that information presently but he would provide at the next business meeting two years of data.

### **Claims Department**

Greg Line presented the Claims Department's report. He said that fines have decreased since July 2010. It appears that the carriers are filing Form 18s in a more timely fashion.

### **Judicial Department**

Virginia Crocker presented the Judicial Department's report. She reported an average of 400 Informal Conferences per month. There was discussion on the average number of conferences held per day per person. Ms. Crocker said on average a person can do 40-45 conferences per day. Ms. Crocker said that the conferences are scheduled so that claimants drive no more than 30 minutes to a conference.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Cannon reported on the following items:

### **Fines and Assessments Aging Report**

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the period ending November 30, 2010.

### **Employee Meetings**

The agency All Employee Meeting was held on November 18, 2010.

Four employees participated in the employee focus group with the Executive Director on December 1, 2010.

Executive Staff conducted its biweekly meeting on November 23, 2010.

### **Constituent Services/Public Information**

Since the last Commission meeting the Executive Director's Office had 268 communications with various system constituents. These contacts included telephone communications; electronic contacts with claimants or constituents, state agencies, federal agencies; attorneys, service providers, and business partners; and letters with congressional offices.

### **Joint Other Funds Oversight Committee**

The Other Funds Joint Oversight Committee met on November 30, 2010. The committee voted to review the "Other Funds" budgets of DNR, LLR, and the Department of Insurance.

### **Regulation Changes 67-405**

The Public Hearing to receive comment on the proposed change to Regulation 67-405 was conducted on November 29, 2010 at 10:00 a.m. Three individuals addressed the

Commissioners and provided comments on the proposed changes. As provided in Section 1-23-111 the Chairman has 20 working days from the date of the public hearing, or until December 30, to issue a written report which will include the findings as to the need and reasonableness of the proposed regulation. The report may include other factors and suggested modifications in the case of finding a lack of need or reasonableness. If the Chairman determines the need for reasonableness of the proposed regulation has not been established, the agency shall elect to modify the proposed regulations, not modify the proposed regulations and submit them to the General Assembly, or terminate the promulgation process by publication of a notice in the State Register.

### **Assessments – Form 18**

At the December 14, 2009 Business Meeting staff recommended changing the process of assessing and collecting fines for Form 18s from bi-monthly to daily beginning in January 2010 through June 30, 2010. This required employing temporary personnel in order to process the increase in assessments and collections at a projected expense of \$15,000. We projected an increase in the number of fines assessed by average of 745 per month and an increase in the revenues of \$452,400 for the six month period for a net increase of \$437,500.

Commissioner Huffstetler requested a report on the results of those efforts. The temporary staff was employed from February 8, 2010 to June 30, 2010 at an expense of \$6, 545. For the same five month period the number of fines assessed were increased by 1,128 and the amount collected increased by \$422,247. The net increase in revenues for the five month period was \$415,702 or \$21,798 less than the projected amount for the six month period.

## **OLD BUSINESS**

### **A. Implant Procedures Fee Carve-Out**

Mr. Cannon said that at the November 15, 2010 meeting of the Full Commission, staff was asked to develop a work plan to revisit the implant fee schedule carve-out issues. Mr. Cannon recognized Al McCutcheon.

Mr. McCutcheon presented a proposed work plan for study of implant carve-outs. He listed the following identification of resources and collection of data:

Medicare

NCCI

Budget and Control Board Office of Statistics

Carrier and hospital data

SC Medical Association and SC Hospital Association

State Health Plan

Survey of other states

Stakeholder comments from July 22, 2009 public hearing

RAND Institute study "*Payments for Hardware Used in Complex Spinal Procedures under California's Official Medical Fee Schedule for Injured Workers*" – 2005

RAND Institute study "*Inpatient Hospital Services: An Update on*

*Services Provided Under California's Workers Compensation Program"*  
- 2009

Initial implant research by Gary Thibault  
WCC Medical Consultant Dr. David Adcock

Commissioner Huffstetler requested that California be included in the survey of other states. All Commissioners agreed with the request.

Commissioner Huffstetler asked about updating the data for the initial implant research by Gary Thibault. Mr. McCutcheon responded he would contact the resources for current data.

Chairman Beck asked Mr. McCutcheon how he came up with the list of resources. Mr. McCutcheon responded that the list of resources came through communication with Dr. Adcock and office staff, and reviewing Mr. Thibault's research.

Mr. McCutcheon presented the following proposed methodology for the financial impact analysis: Collect utilization and payment data from carriers, hospitals, and Budget and Control Board Office of Statistics; and develop a pro forma financial analysis similar to that used for analysis of payment methods for the Medical Services Provider Manual to show current system costs without impact carve outs vs. several options for carve-outs.

Mr. McCutcheon presented the following process for receiving stakeholder review and comments: stakeholders were given an opportunity to comment both in writing and at a public hearing held on July 22, 2009; and upon completion of a draft proposal in April 2011, a second opportunity for comment will be granted to stakeholders with a public hearing to be held in May 2011.

Mr. McCutcheon presented the following schedule for completing the proposed work plan for study of implant carve-outs:

<b>Completion Date</b>	<b>Task</b>
February 28, 2011	Collect policy, utilization and payment data
March 31, 2011	Analysis of financial impact
April 18, 2011	Draft proposal to Commission
May 31, 2011	Stakeholder review, comments, and public hearing
June 20, 2011	Final proposal to Commission

Commissioner Wilkerson asked Mr. McCutcheon if he will make a recommendation to the Commission in the draft proposal. Mr. McCutcheon replied that he would.

Chairman Beck asked Mr. McCutcheon who is responsible for the work-plan and if the completion dates are reasonable. Mr. McCutcheon replied that he is



responsible and best efforts will be made to meet the completion dates. Chairman Beck asked if there was any discussion regarding appointing an advisory committee. Mr. McCutcheon replied that he and Gary Cannon had discussed it, but opted not to form an advisory committee. Mr. Cannon said that an advisory committee could be established if the Commission so desires and a draft proposal presented to the Commission by April 18, 2011.

## **NEW BUSINESS**

### **A. Informal Conference Cost Assessment**

Mr. Cannon reported that the final calculations for the Informal Conference cost assessment were not complete at the time the December 13, 2010 Full Commission meeting agenda was published, and requested that this matter be carried over until the next business meeting. The Commissioners agreed with the request.

## **EXECUTIVE SESSION**

Commissioner Wilkerson moved to adjourn into Executive Session to discuss a personnel matter. Commissioner Williams seconded the motion. The Commission adjourned into Executive Session at 10:56 a.m.

[EXECUTIVE SESSION]

Commissioner Huffstetler made a motion to arise from Executive Session. Commissioner Barden seconded the motion and the motion was approved. The Commission arose from Executive Session at 11:28 a.m. Upon arising from Executive Session, Chairman Beck stated there was discussion with no action taken.

## **ADJOURNMENT**

Commissioner Barden made the motion to adjourn. Commissioner Williams seconded the motion and the motion was approved.

The December 13, 2010 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:30 a.m.

Reported December 30, 2010  
Kim Ballentine, Office of the Executive Director

State of South Carolina

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**Workers' Compensation Commission**

January 18, 2011

**MEMORANDUM**

To: Commissioners  
Gary Cannon  
Executive Director

From: W. C. Smith, III, CPCU, ARM  
Director, Self-Insurance *WCS*

Date: January 18, 2011

Subject: Applications to Self-Insure

We have received the following applications for 15 prospective members of 2 funds.

**New Applicants:**

**SC Automobile Dealers Association SIF**  
Peterbilt Truck Center of Florence LLC

**SC Home Builders SIF**  
Action Concrete Contractors, Inc  
Alpha Tree Service, LLC  
American Concrete Services, Inc  
Beachum Construction Co, Inc  
Charles Kelly dba Affordable Electric  
Donald Causey Construction LLC  
Esposito Construction, Inc  
Mike Goode Construction, Inc  
Herrod, LLC  
New Home Sales Specialist Inc dba Gallup & Gallup  
Premier Home Builders & Inspections, LLC  
Ray Coates Construction  
Tuttle Construction, LLC  
Wayne Williams dba All purpose Landscaping

After examination of the various applications, it has been determined that each has complied with the Commissioners requirements and each is recommended for approval.

WCS/cb

Location(s): New to South Carolina (Anticipate opening 10 stores, 1 dock,  
1 division office and 1 support office by October 2011)

Type of Business: Retail Petroleum and Merchandise

# of Employees in S.C.: Anticipate 269

<u>Claims History</u> (Nebraska)	<u>2010</u>	<u>2009</u>	<u>2008</u>
# of Claims	20	14	22
Claims Paid	\$85,786	\$3,260	\$5,903

<u>Selected Financials (000)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Revenues	\$8,098,603	\$8,537,106	\$8,831,992
Net Income	81,704	157,293	61,496
Interest Expense	10,051	11,340	11,287
Tax Expense	49,051	98,293	36,909
Equity	650,475	594,426	485,870
Current Assets	488,281	471,783	417,011
Current Liabilities	395,271	347,493	382,101
Total Assets	1,271,997	1,226,328	1,153,501
Total Debt	621,522	631,902	667,631
Long Term Debt	111,902	203,498	218,704

Selected Ratios

Return on Total Assets	11.1%	21.8%	9.5%
Return on Net Worth	12.6%	26.5%	12.7%
Total Debt to Total Assets	0.49	0.52	0.58
Current Ratio	1.2	1.4	1.1

Recommendation**Approval****Specific Excess Insurance**

**Surety Amount:**  
**\$500,000**

**This information is confidential under Regulation 67-1515**

State of South Carolina

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Workers' Compensation Commission

MEMORANDUM

TO: Commissioners  
Gary M. Cannon  
Executive Director

FROM: W.C. Smith, III, CPCU, ARM *WCS*  
Director, Self-Insurance

Date: January 18, 2011

SUBJECT: Request of QuickTrip Corporation to Self-Insure

QuickTrip Corporation is a privately owned company established in 1948 and headquartered in Tulsa, Oklahoma. Currently the company employs 11,287 people at its three distribution centers and 550 convenience stores in Arizona, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Oklahoma and Texas. The company is currently expanding into North Carolina and South Carolina. QuickTrip expects to open its Division Office in South Carolina by April 2011. They anticipate having a Division Office, Facility Support Office, Distribution Dock and ten stores by October 2011. Total employment for these South Carolina locations is expected to be 269 with an annual payroll of \$4.2 million.

QuickTrip Corporation is presently self-insured and self-administered for workers' compensation in Arizona, Georgia, Iowa, Kansas, Missouri, Oklahoma and Texas. In addition to South Carolina they have applications to self-insure for workers' compensation pending in Illinois, Nebraska and North Carolina. The company is currently commercially insured in South Carolina for workers' compensation with Discover Property and Casualty Company. Since the company is new to South Carolina, QuickTrip's loss history for the state of Nebraska was used in our evaluation, Nebraska operations are similar to what the company anticipates for South Carolina. The company's three year workers compensation loss history for Nebraska is as follows:

<u>YEAR</u>	<u>NUMBER OF CLAIMS</u>	<u>PAID</u>
2008	22	\$ 5,903
2009	14	\$ 3,260
2010	20	\$ 85,786

If approved to self-insure for workers' compensation South Carolina the company will secure specific excess insurance with Midwest Employers Casualty Company. The Commission's surety requirement will be satisfied with a surety bond provided by Travelers Insurance Company.

Financial analysis was conducted using the 2008, 2009 and 2010 audited financial statements of QuickTrip Corporation. A Dun and Bradstreet Industry Norms Report was not available since the company privately owned.

#### Revenue and Net Income

The QuickTrip Corporation had total revenue in 2010 of \$8.1 billion, compared to \$8.5 billion in 2009 and \$8.8 billion in 2008. Total operating expenses in 2010 was \$7.9 billion, down from \$8.2 billion in 2009 and \$8.7 billion in 2008. The company's largest expense comes from the cost of motor fuel sold at its convenience store locations. Fuel cost for 2010 was \$6 billion compared to \$6.4 billion in 2009 and \$7 billion in 2008. Selling, general and administrative cost for 2010 was \$ 593.9 million, up from \$590.1 million in 2009 and \$524.6 million in 2008.

Net income for 2010 was \$81.7 million, compared to \$157.9 million in 2009 and \$61.5 million in 2008. QuickTrip had a return on net worth of 12.6% in 2010 compared to 26.5% in 2009 and 12.7% in 2008. Return of total assets was 11.1% in 2010, 21.8% in 2009 and 9.5% in 2008.

#### Assets

QuickTrip Corporation had total assets in 2010 of \$1.3 billion up from \$1.2 billion in 2009 and \$1.1 billion in 2008. The company's property and equipment less accumulated depreciation totaled \$776.2 million in 2010, up from \$748.6 million in 2009. Accounts receivable totaled \$88.7 million compared to \$33.4 million in 2009. Merchandise inventory for 2010 was \$71.9 million while motor fuel inventory totaled \$87 million.

Current assets increased in 2010 to \$488.3 million compared to \$471.8 million in 2009. The change was due largely to an increase in accounts receivable. The company's current ratio for 2010 was 1.2, consistent with 1.4 in 2009 and 1.1 in 2008.

#### Equity and Long Term Debt

QuickTrip Corporation had total stockholder's equity in 2010 of \$650.5 million up 9% from \$594.4 million in 2009 and 34% from \$485.5 million in 2008. Total debt decreased to \$621.5 million in 2010 from \$631.9 million in 2009 and \$667.6 million in 2008. The company's long term debt also decreased in 2010 to \$111.9 million, from \$203.5 million in 2009 and \$218.7 million in 2008. Total debt to total assets ratio was .49 in 2010, decreasing from .52 in 2009 and .58 in 2008.

#### Recommendation

It is the recommendation of the Self-Insurance Division that QuickTrip Corporation be granted the privilege of self-insuring its workers' compensation liabilities contingent on the following,

1. QuikTrip Corporation secure specific excess insurance with an initial retention of not more than \$750,000 and a statutory limit of liability; and
2. QuikTrip Corporation provide the Commission a surety bond or letter-of-credit in the amount of \$500,000

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**INTEROFFICE MEMORANDUM**

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**TO:** GARY CANNON, EXECUTIVE DIRECTOR  
**FROM:** DIANA GANTT, DIRECTOR OF ADMINISTRATION  
**SUBJECT:** FINANCIAL REPORT PERIOD ENDING DECEMBER 31, 2010  
**DATE:** 1/12/2011

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The finance report for the one month period ending November 30, 2010, is attached.

- December is the 6<sup>th</sup> Fiscal Month of FY11.
- There were 51 payments made to vendors, travelers, and other State Agencies.
- The benchmark for December is 50%. The Commission's revenues are at 56.22% and expenses are at 45.9%.
- The following is a summary of each department expenditure benchmarks:  
General Funds: All departments fall at or below the benchmark expect Claims. *Claims* has a 59% benchmark in Salaries due to a position being reclassified at the beginning of the fiscal year.

Earmark Fund:

*Commissioners –*

- Fall below the benchmark in all areas with total expenditures being at 39%.

*Administration –*

- Overall the expenditures fall at 46%.
- **Salaries** are up 2% due to a temporary employees being hired at the beginning of the fiscal year.
- **Equipment Data Processing** is high due to the one time purchase of computers.

*Claims –*

- Expenditures fall below the benchmark at 49%.
- **Supplies & Materials** fall over the benchmark due to the amount of items that has been purchased.
- **Travel** is over by 10% due to employee travel for Informal Conferences.

*Insurance & Medical –*

- Total Expenses are at 48%.
- **Contractual Services** are up due to onetime payments that have already been paid for the year.
- **Travel** is substantially over due to employee travel for Informal Conferences.

*Judicial –*

- Fall below the benchmark in all areas with total expenditures being at 46%.

Activity Report from the Procurement Office:

SCEIS Shopping Carts	0	Staples Orders Placed	2
Vendors Contacted for Price Quotes	9	State Leased Vehicles taken for Service	2
Visa Procurement Card Orders Placed	7	State Reports filed by Procurement Officer	1
SC Dept of Corrections Orders Placed	0		

Mail Room Activity:

Files Copied for Outside Parties	141
See attached Mail Summary	

**South Carolina Workers' Compensation Commission**  
**Summary of Revenues and Expenditures**  
**2010 - 2011 Budget**  
**December 31, 2010**

	Budget	FY To Date	Benchmark	50.00%
<b>STATE APPROPRIATIONS</b>				
General Appropriation	\$ 1,919,955	\$ 959,978		50.00%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,471,636	\$ 739,544	\$ 732,092	50.3%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	448,319	225,949	222,370	50.4%
<b>Total</b>	<b>\$ 1,919,955</b>	<b>\$ 965,493</b>	<b>\$ 954,462</b>	<b>50.3%</b>

**OTHER APPROPRIATIONS**

EARMARKED	Budgeted Revenues	Received thru 12/31/10	% Received
Training Conference Registration Fee	\$ 1,000	\$ 2,430	243.00%
Sale of Publication and Brochures	8,000	15,588	194.85%
Workers' Comp Award Review Fee	75,000	38,250	51.00%
Sale of Photocopies	95,000	47,753	50.27%
Workers' Compensation Filing Violation Fee	1,891,000	1,118,296	59.14%
Sale of Listings and Labels	30,000	26,557	88.52%
Workers' Comp Hearing Fee	600,000	269,105	44.85%
Earmarked Funds - Original Authorization	\$ 2,700,000	\$ 1,517,979	56.22%
BD100 to Increase Authorization - July 2010	356,315		
BD100 to Increase Authorization - July 2010 (PC's)	62,500		
<b>Total Earmarked Revenues + Fund Balance</b>	<b>\$ 3,118,815</b>		

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,249,153	\$ 621,886	\$ 627,267	49.8%
Taxable Subsistence	80,000	33,466	46,534	41.8%
Other Operating Expenses	1,414,662	603,015	811,647	42.6%
Employer Contribution	375,000	221,667	153,333	59.1%
<b>Total Earmarked</b>	<b>\$ 3,118,815</b>	<b>\$ 1,480,035</b>	<b>\$ 1,638,780</b>	<b>47.5%</b>

**COMPUTER FUNDS CARRIED FORWARD**      \$ 54,761

Computer Services - Carry forward	\$ 54,761	\$ 1,580	\$ 53,181	2.9%
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**TOTAL OTHER APPROPRIATIONS**      **\$ 3,228,337**      **\$ 1,481,615**      **\$ 1,691,961**      **45.9%**



**South Carolina Workers' Compensation Commission**  
**2010 - 2011 Budget**  
December 31, 2010

**Consolidated**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
Salaries	\$ 1,150,244	\$ -	\$ 1,150,244	\$ 95,366	\$ 568,588	49%	\$ -	\$ 581,656
<b>Other Operating Expenditures</b>								
Total Contractual Services	247,935	-	247,935	16,199	82,136	33%	-	165,799
Total Supplies & Materials	36,313	-	36,313	956	8,609	24%	-	27,704
Total Fixed Charges	159,652	-	159,652	11,453	72,207	45%	-	87,445
Total Travel	87,650	-	87,650	8,755	39,389	45%	-	48,261
<b>Total Other Operating Exp</b>	<b>531,550</b>	<b>-</b>	<b>531,550</b>	<b>37,363</b>	<b>202,340</b>	<b>38%</b>	<b>-</b>	<b>329,210</b>
<b>Total Commissioners</b>	<b>\$ 1,681,794</b>	<b>\$ -</b>	<b>\$ 1,681,794</b>	<b>\$ 132,728</b>	<b>\$ 770,928</b>	<b>46%</b>	<b>\$ -</b>	<b>\$ 910,866</b>
<b>Administration</b>								
Salaries	\$ 444,858	\$ -	\$ 444,858	\$ 38,131	\$ 225,832	51%	\$ -	\$ 219,026
<b>Other Operating Expenditures</b>								
Total Contractual Services	254,874	(5,000)	249,874	41,182	107,698	43%	-	142,176
Total Supplies & Materials	26,038	4,900	30,938	966	9,086	29%	-	21,852
Total Fixed Charges	135,600	100	135,700	8,303	59,442	44%	-	76,258
Total Travel	12,521	-	12,521	921	4,614	37%	-	7,907
Total Equipment	35,000	-	35,000	6,148	31,953	91%	4,360	(1,313)
<b>Total Other Operating Exp</b>	<b>464,033</b>	<b>-</b>	<b>464,033</b>	<b>57,520</b>	<b>212,794</b>	<b>46%</b>	<b>4,360</b>	<b>246,879</b>
<b>Total Administration</b>	<b>\$ 908,891</b>	<b>\$ -</b>	<b>\$ 908,891</b>	<b>\$ 95,651</b>	<b>\$ 438,626</b>	<b>48%</b>	<b>\$ 4,360</b>	<b>\$ 465,906</b>
<b>Claims</b>								
Salaries	\$ 361,417	\$ -	\$ 361,417	\$ 30,301	\$ 179,585	50%	\$ -	\$ 181,832
<b>Other Operating Expenditures</b>								
Total Contractual Services	47,405	-	47,405	1,186	23,366	49%	-	24,039
Total Supplies & Materials	22,138	-	22,138	1,683	14,553	66%	-	7,585
Total Fixed Charges	78,689	-	78,689	6,594	36,186	46%	-	42,503
Total Travel	1,750	-	1,750	90	1,048	60%	-	702
<b>Total Other Operating Exp</b>	<b>149,982</b>	<b>-</b>	<b>149,982</b>	<b>9,553</b>	<b>75,152</b>	<b>50%</b>	<b>-</b>	<b>74,830</b>
<b>Total Claims</b>	<b>\$ 511,399</b>	<b>\$ -</b>	<b>\$ 511,399</b>	<b>\$ 39,854</b>	<b>\$ 254,737</b>	<b>50%</b>	<b>\$ -</b>	<b>\$ 256,662</b>
<b>Insurance and Medical Services</b>								
Salaries	\$ 460,408	\$ -	\$ 460,408	\$ 38,138	\$ 229,564	50%	\$ -	\$ 230,844
<b>Other Operating Expenditures</b>								
Total Contractual Services	37,701	-	37,701	1,835	20,937	56%	-	16,764
Total Supplies & Materials	33,500	-	33,500	516	6,986	21%	-	26,514
Total Fixed Charges	62,220	-	62,220	4,226	27,910	45%	-	34,310
Total Travel	258	-	258	103	729	282%	-	(471)
<b>Total Other Operating Exp</b>	<b>133,679</b>	<b>-</b>	<b>133,679</b>	<b>6,681</b>	<b>56,562</b>	<b>42%</b>	<b>-</b>	<b>77,117</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 594,087</b>	<b>\$ -</b>	<b>\$ 594,087</b>	<b>\$ 44,819</b>	<b>\$ 286,125</b>	<b>48%</b>	<b>\$ -</b>	<b>\$ 307,962</b>
<b>Judicial</b>								
Salaries	\$ 383,862	\$ -	\$ 383,862	\$ 31,813	\$ 191,327	50%	\$ -	\$ 192,535
<b>Other Operating Expenditures</b>								
Total Contractual Services	43,078	-	43,078	306	11,067	26%	-	32,011
Total Supplies & Materials	22,024	-	22,024	1,257	8,232	37%	-	13,792
Total Fixed Charges	66,966	-	66,966	4,910	31,001	46%	-	35,965
Total Travel	3,350	-	3,350	-	1,508	45%	-	1,842
<b>Total Other Operating Exp</b>	<b>135,418</b>	<b>-</b>	<b>135,418</b>	<b>6,474</b>	<b>51,808</b>	<b>38%</b>	<b>-</b>	<b>83,610</b>
<b>Total Judicial</b>	<b>\$ 519,280</b>	<b>\$ -</b>	<b>\$ 519,280</b>	<b>\$ 38,287</b>	<b>\$ 243,135</b>	<b>47%</b>	<b>\$ -</b>	<b>\$ 276,145</b>
<b>Totals By Departments</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,681,794	\$ -	\$ 1,681,794	\$ 132,728	\$ 770,928	46%	\$ -	\$ 910,866
Administration	908,891	-	908,891	95,651	438,626	48%	4,360	465,906
Claims	511,399	-	511,399	39,854	254,737	50%	-	256,662
Insurance & Medical	594,087	-	594,087	44,819	286,125	48%	-	307,962
Judicial	519,280	-	519,280	38,287	243,135	47%	-	276,145
<b>Total Departmental Expend</b>	<b>\$ 4,215,451</b>	<b>\$ -</b>	<b>\$ 4,215,451</b>	<b>\$ 351,339</b>	<b>\$ 1,993,551</b>	<b>47%</b>	<b>\$ 4,360</b>	<b>\$ 2,217,540</b>
Employer Contributions	823,319	-	823,319	64,516	447,616	54%	-	375,703
<b>Total General &amp; Earmarked Funds</b>	<b>\$ 5,038,770</b>	<b>\$ -</b>	<b>\$ 5,038,770</b>	<b>\$ 415,855</b>	<b>\$ 2,441,168</b>	<b>48%</b>	<b>\$ 4,360</b>	<b>\$ 2,593,242</b>

**South Carolina Workers' Compensation Commission**  
**2010 - 2011 Budget**  
December 31, 2010

**General Appropriation**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 9,231	\$ 55,747	48%	\$ -	\$ 59,820
Commissioner	664,602	-	664,602	55,783	334,337	50%	-	330,265
Classified Employees	290,075	-	290,075	24,173	145,037	50%	-	145,038
<b>Total Commissioners</b>	<b>1,070,244</b>	<b>-</b>	<b>1,070,244</b>	<b>89,187</b>	<b>535,122</b>	<b>50%</b>	<b>-</b>	<b>535,122</b>
<b>Administration</b>								
<b>Salaries</b>								
Director	\$ 94,152	\$ -	\$ 94,152	\$ 7,846	\$ 47,076	50%	\$ -	\$ 47,076
Classified Positions	132,206	-	132,206	11,449	64,953	49%	-	67,253
<b>Total Administration</b>	<b>226,358</b>	<b>-</b>	<b>226,358</b>	<b>19,295</b>	<b>112,029</b>	<b>49%</b>	<b>-</b>	<b>114,329</b>
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 55,417	\$ -	\$ 55,417	\$ 5,583	\$ 32,535	59%	\$ -	\$ 22,882
<b>Total Claims</b>	<b>55,417</b>	<b>-</b>	<b>55,417</b>	<b>5,583</b>	<b>32,535</b>	<b>59%</b>	<b>-</b>	<b>22,882</b>
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	\$ 57,755	\$ -	\$ 57,755	\$ 4,821	\$ 28,927	50%	\$ -	\$ 28,828
<b>Total Ins and Medical Svcs</b>	<b>57,755</b>	<b>-</b>	<b>57,755</b>	<b>4,821</b>	<b>28,927</b>	<b>50%</b>	<b>-</b>	<b>28,828</b>
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 61,862	\$ -	\$ 61,862	\$ 5,048	\$ 30,931	50%	\$ -	\$ 30,931
<b>Total Judicial</b>	<b>61,862</b>	<b>-</b>	<b>61,862</b>	<b>5,048</b>	<b>30,931</b>	<b>50%</b>	<b>-</b>	<b>30,931</b>
<b>General Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 89,187	\$ 535,122	50%	\$ -	\$ 535,122
Administration	226,358	-	226,358	19,295	112,029	49%	-	114,329
Claims	55,417	-	55,417	5,583	32,535	59%	-	22,882
Insurance & Medical	57,755	-	57,755	4,821	28,927	50%	-	28,828
Judicial	61,862	-	61,862	5,048	30,931	50%	-	30,931
<b>Total Departmental Expend</b>	<b>\$ 1,471,636</b>	<b>\$ -</b>	<b>\$ 1,471,636</b>	<b>\$ 123,934</b>	<b>\$ 739,544</b>	<b>50%</b>	<b>\$ -</b>	<b>\$ 732,092</b>
Employer Contributions	448,319	-	448,319	31,712	225,949	50%	-	222,370
<b>Total General Fund Appropriations</b>	<b>\$ 1,919,955</b>	<b>\$ -</b>	<b>\$ 1,919,955</b>	<b>\$ 155,645</b>	<b>\$ 965,493</b>	<b>50%</b>	<b>\$ -</b>	<b>\$ 954,462</b>

**South Carolina Workers' Compensation Commission**

**2010 - 2011 Budget**

December 31, 2010

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 6,179	\$ 33,466	42%	\$ -	\$ 46,534
<b>Total Salaries</b>	<b>80,000</b>	<b>-</b>	<b>80,000</b>	<b>6,179</b>	<b>33,466</b>	<b>42%</b>	<b>-</b>	<b>46,534</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	700	-	700	-	-	0%	-	700
Copying Equipment Service	200	-	200	-	-	0%	-	200
Print/Bind/Advertisement	510	-	510	-	510	100%	-	-
Print Pub Annual Reports	28	-	28	-	-	0%	-	28
Data Processing Services	68,535	-	68,535	112	11,452	17%	-	57,083
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	4,500	-	4,500	430	2,156	48%	-	2,344
Cellular Phone Service	12,000	-	12,000	806	3,945	33%	-	8,055
Legal Services/Attorney Fees	160,000	-	160,000	14,725	63,725	40%	-	96,275
Other Professional Services	972	-	972	126	348	36%	-	624
<b>Total Contractual Services</b>	<b>247,935</b>	<b>-</b>	<b>247,935</b>	<b>16,199</b>	<b>82,136</b>	<b>33%</b>	<b>-</b>	<b>165,799</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	8,500	-	8,500	-	1,141	13%	-	7,359
Copying Equipment	2,714	-	2,714	-	1,559	57%	-	1,155
Printing	1,750	-	1,750	20	87	5%	-	1,663
Data Processing Supplies	649	-	649	-	-	0%	-	649
Postage	21,500	-	21,500	877	5,654	26%	-	15,846
Communication Supplies	50	-	50	-	-	0%	-	50
Maint/Janitorial Supplies	75	-	75	-	110	147%	-	(35)
Motor Vehicle Supp/Gasoline	100	-	100	58	58	58%	-	42
Other Supplies	975	-	975	-	-	0%	-	975
<b>Total Supplies &amp; Materials</b>	<b>36,313</b>	<b>-</b>	<b>36,313</b>	<b>956</b>	<b>8,609</b>	<b>24%</b>	<b>-</b>	<b>27,704</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	4,800	-	4,800	334	1,596	33%	-	3,204
Rent-Non State Owned Property	149,750	-	149,750	11,119	66,716	45%	-	83,034
Rent-Other	250	-	250	-	212	85%	-	38
Insurance-State	3,633	-	3,633	-	3,633	100%	-	-
Insurance-Non State	169	-	169	-	-	0%	-	169
Fees & Fines	50	-	50	-	50	100%	-	-
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Fixed Charges</b>	<b>159,652</b>	<b>-</b>	<b>159,652</b>	<b>11,453</b>	<b>72,207</b>	<b>45%</b>	<b>-</b>	<b>87,445</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	650	-	650	19	223	34%	-	427
In State - Auto Mileage	10,000	-	10,000	1,685	5,434	54%	-	4,566
In State - Subsistence Allowance	25,000	-	25,000	3,264	14,656	59%	-	10,344
Out State - Meals	500	-	500	18	52	10%	-	448
Out State - Auto Mileage	1,500	-	1,500	144	460	31%	-	1,040
Leased Car	50,000	-	50,000	3,625	18,563	37%	-	31,437
<b>Total Travel</b>	<b>87,650</b>	<b>-</b>	<b>87,650</b>	<b>8,755</b>	<b>39,389</b>	<b>45%</b>	<b>-</b>	<b>48,261</b>
<b>Total Other Operating Expenditures</b>	<b>531,550</b>	<b>-</b>	<b>531,550</b>	<b>37,363</b>	<b>202,340</b>	<b>38%</b>	<b>-</b>	<b>329,210</b>
<b>Total Commissioners</b>	<b>\$ 611,550</b>	<b>\$ -</b>	<b>\$ 611,550</b>	<b>\$ 43,542</b>	<b>\$ 235,806</b>	<b>39%</b>	<b>\$ -</b>	<b>\$ 375,744</b>

**South Carolina Workers' Compensation Commission**

**2010 - 2011 Budget**

December 31, 2010

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date	%	Encumb	Balance
<b>Administration</b>								
<b>Salaries</b>								
Classified Positions	\$ 214,000	\$ -	\$ 214,000	\$ 17,509	\$ 108,848	51%	\$ -	\$ 105,152
Temporary Employees	3,500	-	3,500	1,327	4,119	118%	-	(619)
Terminal Leave	1,000	-	1,000	-	835	84%	-	165
<b>Total Salaries</b>	<b>218,500</b>	<b>-</b>	<b>218,500</b>	<b>18,836</b>	<b>113,802</b>	<b>52%</b>	<b>-</b>	<b>104,698</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	4,904	-	4,904	268	3,381	69%	-	1,523
Copying Equipment Service	2,000	-	2,000	-	-	0%	-	2,000
Print/Bind/Advertisement	4,650	-	4,650	-	404	9%	-	4,246
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	181,658	-	181,658	37,959	81,600	45%	-	100,058
Freight Express Delivery	15,500	(5,000)	10,500	18	183	2%	-	10,317
Telephone	4,493	-	4,493	456	2,117	47%	-	2,376
Cellular Phone Service	1,925	-	1,925	149	741	39%	-	1,184
Education & Training Services	1,000	-	1,000	-	-	0%	-	1,000
Attorney Fees	34,947	-	34,947	2,333	18,066	52%	-	16,881
General Repair	230	-	230	-	-	0%	-	230
Audit Acct Finance	100	-	100	-	100	100%	-	-
Catered Meals	1,000	-	1,000	-	611	61%	-	389
Other Professional Services	2,000	-	2,000	-	50	3%	-	1,950
Other Contractual Services	445	-	445	-	445	100%	-	-
<b>Total Contractual Services</b>	<b>254,874</b>	<b>(5,000)</b>	<b>249,874</b>	<b>41,182</b>	<b>107,698</b>	<b>43%</b>	<b>-</b>	<b>142,176</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	9,743	-	9,743	133	2,577	26%	-	7,166
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,934	-	3,934	-	1,354	34%	-	2,580
Printing	1,964	-	1,964	179	283	14%	-	1,681
Data Processing Supplies	2,075	-	2,075	-	127	6%	-	1,948
Postage	7,100	4,150	11,250	558	4,253	38%	-	6,997
Maint/Janitorial Supplies	98	-	98	-	87	89%	-	11
Fees & Fines	174	750	924	-	275	30%	-	649
Gasoline/ Motor Vehicle Supply	36	-	36	51	84	232%	-	(48)
Promotional Supplies	75	-	75	-	-	0%	-	75
Employee Recog Award	564	-	564	46	46	8%	-	518
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>26,038</b>	<b>4,900</b>	<b>30,938</b>	<b>966</b>	<b>9,086</b>	<b>29%</b>	<b>-</b>	<b>21,852</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	5,979	-	5,979	395	1,679	28%	-	4,300
Rent-Non State Owned Property	107,101	-	107,101	7,195	43,170	40%	-	63,931
Rent-Other	225	1,500	1,725	108	938	54%	-	787
Insurance-State	7,490	(1,400)	6,090	-	6,090	100%	-	-
Insurance-Non State	134	-	134	-	-	0%	-	134
Dues and Memberships	3,985	-	3,985	-	3,000	75%	-	985
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
Sales Tax Paid	9,686	-	9,686	605	4,565	47%	-	5,121
<b>Total Fixed Charges</b>	<b>135,600</b>	<b>100</b>	<b>135,700</b>	<b>8,303</b>	<b>59,442</b>	<b>44%</b>	<b>-</b>	<b>76,258</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals Non-Reportable	21	-	21	-	-	0%	-	21
In State - Registration Fees	-	-	-	-	-	0%	-	-
Leased Car	12,500	-	12,500	921	4,614	37%	-	7,886
<b>Total Travel</b>	<b>12,521</b>	<b>-</b>	<b>12,521</b>	<b>921</b>	<b>4,614</b>	<b>37%</b>	<b>-</b>	<b>7,907</b>
<b>Equipment</b>								
Equipment Data Processing- PC's	35,000	-	35,000	6,148	31,953	91%	4,360	(1,313)
<b>Total Equipment</b>	<b>35,000</b>	<b>-</b>	<b>35,000</b>	<b>6,148</b>	<b>31,953</b>	<b>91%</b>	<b>4,360</b>	<b>(1,313)</b>
<b>Total Other Operating Expenditures</b>	<b>464,033</b>	<b>-</b>	<b>464,033</b>	<b>57,520</b>	<b>212,794</b>	<b>46%</b>	<b>4,360</b>	<b>246,879</b>
<b>Total Administration</b>	<b>\$ 682,533</b>	<b>\$ -</b>	<b>\$ 682,533</b>	<b>\$ 76,356</b>	<b>\$ 326,596</b>	<b>48%</b>	<b>\$ 4,360</b>	<b>\$ 351,577</b>

**South Carolina Workers' Compensation Commission**

**2010 - 2011 Budget**

December 31, 2010

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date	%	Encumb	Balance
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 301,000	\$ (6,000)	\$ 295,000	\$ 23,848	\$ 136,618	46%	\$ -	\$ 158,382
Temporary Positions	4,000	3,000	7,000	870	7,341	105%	-	(341)
Terminal Leave	1,000	3,000	4,000	-	3,092	77%	-	908
<b>Total Salaries</b>	<b>306,000</b>	<b>-</b>	<b>306,000</b>	<b>24,718</b>	<b>147,051</b>	<b>48%</b>	<b>-</b>	<b>158,949</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	200	-	200	-	90	45%	-	110
Print / Bind / Adv	750	-	750	-	404	54%	-	346
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	26,933	-	26,933	-	9,434	35%	-	17,499
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	3,000	-	3,000	223	1,366	46%	-	1,634
Temporary Services	13,000	-	13,000	963	11,981	92%	-	1,019
Other Professional Services	3,000	-	3,000	-	90	3%	-	2,910
<b>Total Contractual Services</b>	<b>47,405</b>	<b>-</b>	<b>47,405</b>	<b>1,186</b>	<b>23,366</b>	<b>49%</b>	<b>-</b>	<b>24,039</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	3,913	-	3,913	88	4,577	117%	-	(664)
Copying Equipment	2,000	-	2,000	-	1,168	58%	-	832
Printing	2,000	-	2,000	16	69	3%	-	1,931
Data Processing Supplies	75	-	75	-	53	71%	-	22
Postage	14,000	-	14,000	1,579	8,600	61%	-	5,400
Maint/Janitorial Supplies	50	-	50	-	87	174%	-	(37)
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>22,138</b>	<b>-</b>	<b>22,138</b>	<b>1,683</b>	<b>14,553</b>	<b>66%</b>	<b>-</b>	<b>7,585</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	219	802	32%	-	1,698
Rent-Non State Owned Property	73,750	-	73,750	5,560	33,358	45%	-	40,392
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,080	-	1,080	-	997	92%	-	83
Insurance-Non State	134	-	134	-	-	0%	-	134
Equipment- Copying	-	815	815	815	815	100%	-	(0)
Equipment Maintenance	1,000	(815)	185	-	-	0%	-	185
<b>Total Fixed Charges</b>	<b>78,689</b>	<b>-</b>	<b>78,689</b>	<b>6,594</b>	<b>36,186</b>	<b>46%</b>	<b>-</b>	<b>42,503</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	300	-	300	25	225	75%	-	75
In State - Lodging	500	-	500	-	565	113%	-	(65)
In State - Auto Mileage	600	-	600	-	167	28%	-	433
Reportable Meals	100	-	100	65	91	91%	-	9
Leased Car	250	-	250	-	-	0%	-	250
<b>Total Travel</b>	<b>1,750</b>	<b>-</b>	<b>1,750</b>	<b>90</b>	<b>1,048</b>	<b>60%</b>	<b>-</b>	<b>702</b>
<b>Total Other Operating Expenditures</b>	<b>149,982</b>	<b>-</b>	<b>149,982</b>	<b>9,553</b>	<b>75,152</b>	<b>50%</b>	<b>-</b>	<b>74,830</b>
<b>Total Claims</b>	<b>\$ 455,982</b>	<b>\$ -</b>	<b>\$ 455,982</b>	<b>\$ 34,271</b>	<b>\$ 222,203</b>	<b>49%</b>	<b>\$ -</b>	<b>\$ 233,779</b>

**South Carolina Workers' Compensation Commission**

**2010 - 2011 Budget**

December 31, 2010

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date	%	Encumb	Balance
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	\$ 383,000	\$ -	\$ 383,000	\$ 32,066	\$ 188,494	49%	\$ -	\$ 194,506
Temporary Employees	15,018	-	15,018	1,251	12,143	81%	-	2,875
Special Contractual Employee	4,635	-	4,635	-	-	0%	-	4,635
<b>Total Salaries</b>	<b>402,653</b>	<b>-</b>	<b>402,653</b>	<b>33,317</b>	<b>200,636</b>	<b>50%</b>	<b>-</b>	<b>202,017</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	200	-	200	-	-	0%	-	200
Copying Equipment Service	1,000	-	1,000	-	-	0%	-	1,000
Print/Bind/Advertisement	3,400	-	3,400	-	446	13%	-	2,954
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	24,864	-	24,864	1,605	18,187	73%	-	6,677
Telephone	2,626	-	2,626	230	1,284	49%	-	1,342
Other Professional Services	2,387	-	2,387	-	1,020	43%	-	1,367
Other Contractual Services	3,200	-	3,200	-	-	0%	-	3,200
<b>Total Contractual Services</b>	<b>37,701</b>	<b>-</b>	<b>37,701</b>	<b>1,835</b>	<b>20,937</b>	<b>56%</b>	<b>-</b>	<b>16,764</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	6,000	-	6,000	-	722	12%	-	5,278
Copying Equipment	3,000	-	3,000	-	1,291	43%	-	1,709
Printing	1,500	-	1,500	18	179	12%	-	1,321
Data Processing Supplies	1,000	-	1,000	-	-	0%	-	1,000
Postage	21,825	-	21,825	498	4,697	22%	-	17,128
Maintenance/Janitorial Supplies	75	-	75	-	96	129%	-	(21)
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>33,500</b>	<b>-</b>	<b>33,500</b>	<b>516</b>	<b>6,986</b>	<b>21%</b>	<b>-</b>	<b>26,514</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,104	-	2,104	224	1,120	53%	-	984
Rent-Non State Owned Property	56,400	-	56,400	3,924	23,547	42%	-	32,853
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,101	-	1,101	-	1,018	92%	-	83
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	1,300	-	1,300	77	2,012	155%	-	(712)
<b>Total Fixed Charges</b>	<b>62,220</b>	<b>-</b>	<b>62,220</b>	<b>4,226</b>	<b>27,910</b>	<b>45%</b>	<b>-</b>	<b>34,310</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	50	-	50	25	252	504%	-	(202)
Reportable Meals	50	-	50	-	28	56%	-	22
In State - Lodging	158	-	158	78	449	284%	-	(291)
<b>Total Travel</b>	<b>258</b>	<b>-</b>	<b>258</b>	<b>103</b>	<b>729</b>	<b>282%</b>	<b>-</b>	<b>(471)</b>
<b>Total Other Operating Expenditures</b>	<b>133,679</b>	<b>-</b>	<b>133,679</b>	<b>6,681</b>	<b>56,562</b>	<b>42%</b>	<b>-</b>	<b>77,117</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 536,332</b>	<b>\$ -</b>	<b>\$ 536,332</b>	<b>\$ 39,998</b>	<b>\$ 257,198</b>	<b>48%</b>	<b>\$ -</b>	<b>\$ 279,134</b>

**South Carolina Workers' Compensation Commission**

**2010 - 2011 Budget**

December 31, 2010

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 50.00%				
				Expended December	Year to Date	%	Encumb	Balance
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 322,000	\$ -	\$ 322,000	\$ 26,765	\$ 160,396	50%	\$ -	\$ 161,604
<b>Total Salaries</b>	<b>322,000</b>	<b>-</b>	<b>322,000</b>	<b>26,765</b>	<b>160,396</b>	<b>50%</b>	<b>-</b>	<b>161,604</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	180	-	180	-	-	0%	-	180
Print/Bind/Advertisement	500	-	500	-	361	72%	-	139
Print Pub Annual Reports	20	-	20	-	-	0%	-	20
Data Processing Services	37,803	-	37,803	-	9,178	24%	-	28,625
Freight Express Delivery	150	-	150	-	-	0%	-	150
Telephone	3,000	-	3,000	212	1,063	35%	-	1,937
Cellular Phone Service	1,225	-	1,225	94	465	38%	-	760
Other Professional Services	200	-	200	-	-	0%	-	200
<b>Total Contractual Services</b>	<b>43,078</b>	<b>-</b>	<b>43,078</b>	<b>306</b>	<b>11,067</b>	<b>26%</b>	<b>-</b>	<b>32,011</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	4,775	-	4,775	39	1,060	22%	-	3,715
Copying Equipment Supplies	1,949	-	1,949	-	1,058	54%	-	891
Printing	2,500	-	2,500	14	61	2%	-	2,439
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	12,580	-	12,580	1,205	5,987	48%	-	6,593
Maintenance/Janitorial Supplies	50	-	50	-	65	130%	-	(15)
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	75	-	75	-	-	0%	-	75
<b>Total Supplies &amp; Materials</b>	<b>22,024</b>	<b>-</b>	<b>22,024</b>	<b>1,257</b>	<b>8,232</b>	<b>37%</b>	<b>-</b>	<b>13,792</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	1,750	-	1,750	4	171	10%	-	1,579
Rent-Non State Owned Property	63,750	-	63,750	4,906	29,434	46%	-	34,316
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,121	-	1,121	-	1,183	106%	-	(62)
Insurance-Non State	120	-	120	-	-	0%	-	120
<b>Total Fixed Charges</b>	<b>66,966</b>	<b>-</b>	<b>66,966</b>	<b>4,910</b>	<b>31,001</b>	<b>46%</b>	<b>-</b>	<b>35,965</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals / Non-Reportable	250	-	250	-	60	24%	-	190
Reportable Meals	100	-	100	-	105	105%	-	(5)
In State - Lodging	400	-	400	-	-	0%	-	400
In State - Auto Mileage	2,200	-	2,200	-	1,343	61%	-	857
In State - Misc Travel Expense	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	300	-	300	-	-	0%	-	300
<b>Total Travel</b>	<b>3,350</b>	<b>-</b>	<b>3,350</b>	<b>-</b>	<b>1,508</b>	<b>45%</b>	<b>-</b>	<b>1,842</b>
<b>Total Other Operating Expenditures</b>	<b>135,418</b>	<b>-</b>	<b>135,418</b>	<b>6,474</b>	<b>51,808</b>	<b>38%</b>	<b>-</b>	<b>83,610</b>
<b>Total Judicial</b>	<b>\$ 457,418</b>	<b>\$ -</b>	<b>\$ 457,418</b>	<b>\$ 33,239</b>	<b>\$ 212,204</b>	<b>46%</b>	<b>\$ -</b>	<b>\$ 245,214</b>
<b>Earmarked Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 611,550	\$ -	\$ 611,550	\$ 43,542	\$ 235,806	39%	\$ -	\$ 375,744
Administration	682,533	-	682,533	76,356	326,596	48%	4,360	351,577
Claims	455,982	-	455,982	34,271	222,203	49%	-	233,779
Insurance & Medical	536,332	-	536,332	39,998	257,198	48%	-	279,134
Judicial	457,418	-	457,418	33,239	212,204	46%	-	245,214
<b>Total Departmental Expend</b>	<b>\$ 2,743,815</b>	<b>\$ -</b>	<b>\$ 2,743,815</b>	<b>\$ 227,405</b>	<b>\$ 1,254,007</b>	<b>46%</b>	<b>\$ 4,360</b>	<b>\$ 1,485,448</b>
Employer Contributions	375,000	-	375,000	32,804	221,667	59%	-	153,333
<b>Total Earmarked Funds</b>	<b>\$ 3,118,815</b>	<b>\$ -</b>	<b>\$ 3,118,815</b>	<b>\$ 260,210</b>	<b>\$ 1,475,675</b>	<b>47%</b>	<b>\$ 4,360</b>	<b>\$ 1,638,780</b>
<b>Capital / Computer Project Carryforward</b>	<b>\$ 54,761</b>	<b>\$ -</b>	<b>\$ 54,761</b>	<b>\$ -</b>	<b>\$ 1,580</b>	<b>3%</b>	<b>\$ -</b>	<b>\$ 53,181</b>

## MEMORANDUM

Date: January 12, 2011

**TO:** Mr. Gary Cannon  
Executive Director

**FROM:** Cathy Floyd  
Human Resources

**SUBJECT:** Human Resource Report Period Ending December 31, 2010

Below is a summary of the Human Resource activity for the one month period ending December 31, 2010.

### Recruitment and Selection

- Recruited for a Claims Examiner II position in the Judicial Department
  - 114 applicants, 101 met the minimum training and experience requirements
  - Two applicants withdraw their applications

### Employee Relations (ER)

- The Employee Advisory Committee has continued work on updating the Administrative Policy and Procedures Manual
  - The Committee presented the first draft of the Employee of the Year and Dress Code Policies at the monthly Agency Wide Meeting to receive employee feedback
- Four ER issues were addressed during the month
- Began working on succession planning initiatives
  - The first topic will be Informal Conferences, an analysis is planned for mid-January
- Attended the United Way Campaign State Campaign Finale Awards Luncheon
  - Three awards were received
    - Campaign Coordinator
    - Bronze Award for Achieving \$50 - \$99 Employee Per Capita
    - Agency Director of the Year
- Coordinated the annual Holiday Luncheon for agency employees

### Benefits

- Coverage changes for two employees
- Issued one COBRA notice

### State Office of Human Resources (OHR)

- Contacted OHR regarding three different compliance issues

### SC Enterprise Information System (SCEIS)

- One employment verification
- Seven transactions were keyed into the system



# WCC IT Projects Status Report

Period		December		Status Key: Not Started		Timing		
#	Key Projects	Sub Project	Regulation	Due Date	% of completion	% of time devoted to issue	Lead	Issues / Comments
3	Phase II - Progress EDI/eCase	TPA's - attached to claim not carrier code modifications		November 2010				
	eCase Enhancements	Attorney add feature		November 2010				
3	Phase II - Claims EDI			December 2010	50%	5%	Amanda	Developing requirements, design, implementation plan
4g	Electronic Service Initiatives	Electronic Service Initiatives Consent Orders	67-213	January 2011	38%	5%	Amanda/Betsy	Purchased the software. Developing a custom button to allow for virtual print in one click and automate the work flow for sending email. Upgrading CRBase Imaging software to automate the email process scheduled to be completed the end of January.
4h		Electronic Service Initiatives Clinchers	67-213	TBD	0%	0%		
4i		Electronic Service Initiatives Fee Petitions	67-213	TBD	0%	0%		
4j		Electronic Service Initiatives - Receipt of electronic pleadings	67-211	January 2012	0%	0%		
4k		Electronic receipt of any form or document	67-205	January 2012	0%	0%		
4l		12 M Revamp of current Minor Medical Reporting from Carriers	67-412	January 2012	0%	0%		
					Projects Amanda	50%		
					Projects Duane	20%		
					Projects Betsy	25%		
						32%		
Maintenance								
Priority	Maintenance Issue	Project	Start date	Estimated completion	% complete	% of time devoted to issue	Assigned to	Status
	Coverage fine data research	Coverage	December	January	100%	25%	Duane	
2	NCCI issue relating to changes to key fields, such as FEIN's has been identified by NCCI and has not been evaluated by WCC	EDI Coverage	August	ongoing		25%	Duane	

# WCC IT Projects Status Report

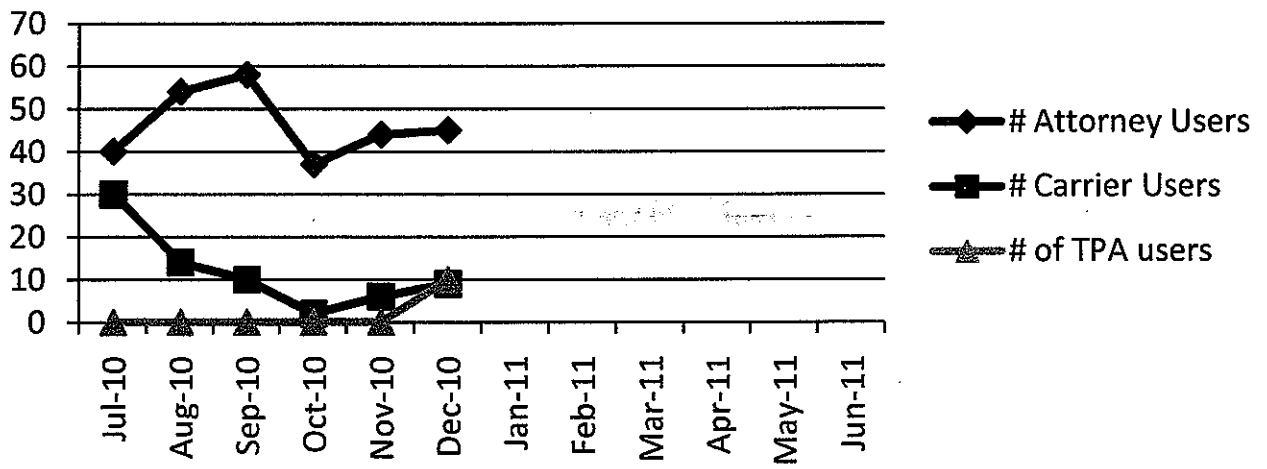
Period: **December** Status Key: **Not Started** **Planning**

#	Key Projects	Sub Project	Regulation	Due Date	% of completion	% of time devoted to issue	Lead	Issues / Comments
3	Modification to F18 functions in Progress	Progress	June	tbd		0%	Duane	have not touched
6	New report for tracking eService compliance	eService	tbd			0%	Duane	
7	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		10%	Duane	
8	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		20%	Duane	
					Maintenance Duane	80%		
	Coverage fine data research	Coverage	December	January	100%	10%	Amanda	
	eCase Enhancement Issues	eCase	December	ongoing		25%	Amanda	
1	Add warning on closed file with Jar	Judicial				0%		
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		15%	Amanda	
					Maintenance Amanda	50%		
	Coverage fine data research	Coverage	December	January	100%	25%	Betsy	
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		40%	Betsy	
					Maintenance Betsy	85%		

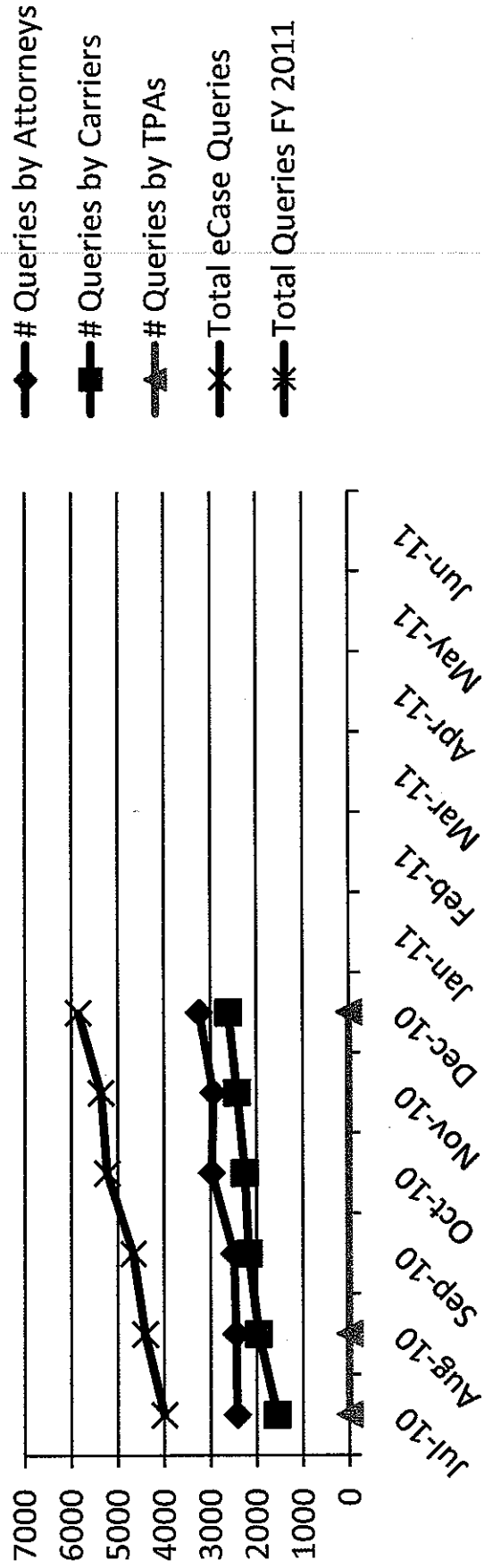
73%

#	Project	Sub Project	Due Date	% of completion	% of time devoted to issue	Assigned to	Status
2	PC Refresh for balance of staff	Refresh	TBD	15%	25%	Betsy	Getting quotes for Dell and HP's
3	Work Flow		TBD	0%	0%	Gary/Betsy	
5	IT Planning for FY 2011		10/31/2010		20%	IT Staff & Gary	Getting quotes for server refresh

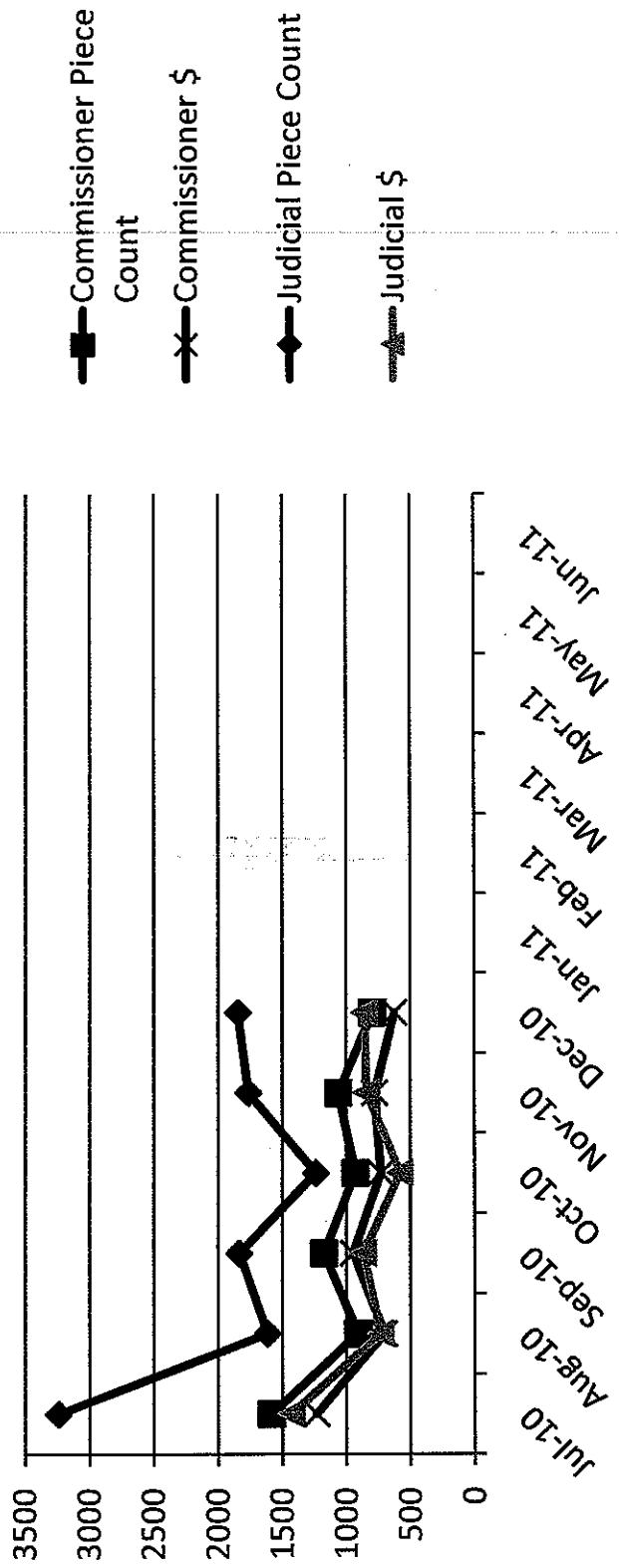
### eCase Users by Type and Date Added



## eCase Queries By Month and Type of User



Mail Cost and Piece Count for Commissioners and Judicial



**Department of Insurance & Medical Services**  
 South Carolina Workers' Compensation Commission  
 January 2011 Monthly Report

	July	August	September	October	November	December	January	February	March	April	May	June	2010-2011
<b>SELF INSURANCE</b>													
New Self-Insurers Approved	11	6	14	7	8	9							55
Self Insurance Tax Collected	\$35,282	\$147,818	\$1,647,285	\$16,989	\$33,269	\$319,996							\$2,200,639
<b>COMPLIANCE</b>													
Cases Active at Beginning of Period	422	600	754	672	768	884							1017
Cases Initiated	203	203	140	152	148	171							661
Cases Closed	25	49	222	56	32	277							
Cases Active at End of Period	600	754	672	768	884	778							
Total Fines Assessed	\$49,965	\$63,553	\$112,292	\$105,730	\$49,740	\$109,114							\$490,394
- Employer wage / coverage screening	\$30,050	\$23,715	\$25,140	\$61,265	\$27,000	\$70,084							\$237,254
- Underlying claim / uninsured employ	\$19,915	\$36,188	\$87,152	\$44,365	\$22,740	\$39,030							\$249,390
- Random Investigation	\$0	\$3,650	\$0	\$100	\$0	\$0							\$3,750
Total Fines Collected	\$15,975	\$20,704	\$27,075	\$51,739	\$22,068	\$39,084							\$176,645
- Employer wage / coverage screening	\$14,175	\$13,634	\$17,435	\$20,375	\$15,625	\$32,584							\$113,828
- Underlying claim / uninsured employ	\$1,800	\$7,070	\$9,640	\$31,264	\$6,443	\$6,500							\$62,717
- Random Investigation	\$0	\$0	\$0	\$100	\$0	\$0							\$100
Fines Waived/Rescinded/Uncollectable	\$25,770	\$77,180	\$43,411	\$38,949	\$45,874	\$24,330							\$255,514
- Waived	\$8,370	\$13,775	\$5,520	\$0	\$1,500	\$6,750							\$35,915
- Rescinded	\$17,400	\$63,405	\$37,891	\$38,949	\$44,374	\$17,580							\$219,599
- Uncollectable	\$0	\$0	\$0	\$0	\$0	\$0							\$0
<b>COVERAGE &amp; ACCIDENT RPTG</b>													
Employers Withdrawing From the Act	1	1	3	2	1	3							11
Coverage Fines Assessed	\$18,400	\$19,600	\$4,400	\$7,800	\$13,200	\$11,000							\$74,400
Coverage Fines Collected	\$67,795	\$21,600	\$18,500	\$10,600	\$12,240	\$10,400							\$141,135
Coverage Fines Waived	\$1,000	\$2,400	\$1,604	\$13,360	\$1,600	\$2,275							\$22,239
Number of 12As Filed EDI	1,762	1,747	1,689	1,554	1,601	1,573							9,926
Number of 12As Filed Manually	336	458	376	386	394	345							2,295
Total Number of WCC Files Created	2,098	2,205	2,065	1,940	1,995	1,918							12,221
Number of Fatalities Filed on 12As	7	9	4	8	3	11							42
<b>MEDICAL SERVICES</b>													
Bills Pending at Beginning of Period	76	93	59	42	61	53							496
Bills Received	83	90	85	107	67	64							
Bills to be Reviewed	159	183	144	149	128	117							
Bills Reviewed this Month	66	124	102	88	75	78							533
Bills Pending at End of Period	93	59	42	61	53	39							

**TO: Gary M. Cannon, Executive Director**

**FROM: Al McCutcheon**

**DATE: January 12, 2011**

**RE: Outstanding Fines Status**

The following is the requested status of outstanding fines in the Compliance and Coverage Divisions of the Insurance and Medical Services Department:

### **Compliance**

There are two categories for Compliance fines: cases with underlying claims; and cases without underlying claims. Cases with underlying claims are those cases in which a claim has been filed but there is no record of the employer having coverage. Cases with no underlying claims are the cases where employers are discovered to have no coverage through the search of the Employment Security Commission records or a random coverage check.

The procedure for collection of fines is as follows:

1. Employers suspected of not having insurance are sent a letter requesting verification they have coverage and are given 14 days to respond. Failure to respond and to immediately acquire insurance will result in fines being assessed at \$1.00 per day for each employee, a minimum of \$10.00 per day and a maximum of \$100.00 per day.

**Forty violation letters were issued during the month of December.**

2. For cases without an underlying claim, if the employer immediately comes into compliance after the initial notification, the assessed fine is \$750 for 10 or less employees and \$1,000 for 11-20 employees.

**Seventeen compliance agreements were received during the month of December.**

3. If there is no response and we can prove the employer is subject to the Workers' Compensation Act, the Compliance Division subpoenas the employer to an Order and Rule to Show Cause hearing. These hearings are scheduled every 30 days.

**Twenty-two subpoenas were issued in December. The next Order and Rule to Show Cause hearing is scheduled for January 31, 2011.**

4. Along with the subpoena, the employer is provided a letter offering the opportunity to settle in lieu of attending the hearing. However, if the employer does not settle, and the employer is found to be subject to the Act at the hearing, an order is issued finding the employer in violation of the Act. In most instances, the order stipulates maximum fines and penalties. Orders are issued within 30 days after the hearing.

**No orders resulting from the November 30, 2010 Order and Rule to Show Cause hearing were published in December.**

5. If there is no response to the order, a civil judgment is filed within 45 days.

**No civil judgments were filed during the month of December.**

6. Further contact with the employer (telephone and letter) is attempted by the Director of Compliance. If the employer remains willfully uninsured, the Director of Compliance files a criminal complaint with the jurisdictional magistrate. This new procedure for the Department has yet to be finalized with legal counsel.

## **Coverage**

There are two types of fines assessed on carriers by the Coverage Division:

- A. Late filing for policies not received within 30 days of the policies' effective date.
- B. 12M Minor Medical Fines

In January - March 2010, approximately 200 carriers were sent a final notice on fines over 90 days old. Carriers were advised that failure to pay outstanding fines would result in a subpoena being issued requiring attendance at an Order and Rule to Show Cause Hearing. Initially, these carriers owed \$207,375 in fines over 90 days old. This total was reduced to \$20,431.33 as of January 6, 2011.



**TO: Gary M. Cannon, Executive Director**

**FROM: Al McCutcheon**

**DATE: January 12, 2011**

**RE: Coverage Fine Assessments Status**

At the December 13, 2011 Full Commission meeting, Chairman Beck asked if \$18,000 or \$19,000 is the normal monthly coverage fines assessed. Attached is a spreadsheet of coverage fine assessments for FY2009, FY2010, and FY2011. The average monthly assessments are as follow:

FY2009 - \$37,158  
FY2010 - \$47,125  
FY2011 - \$12,400

It is clear that in FY2011, we have seen a significant reduction in Coverage fine assessments. This is primarily due to the FY2010 upgrade in our Coverage system to the current IAIABC Proof of Coverage 2.1 standard which provides additional detail on policy transactions, such as whether the transaction is a renewal or duplicate. Based on this additional information, we implemented a new business rule in July 2010 to not assess fines for late renewals or duplicate transactions. Under the previous business rule, we could not identify renewal and duplicate transactions and we had "probable cause" to issue a fine. It was up to the carriers to request that the fine be waived. Approximately 17% of late fines under the old system in FY2009-2010 were eventually waived when carriers would notify us that the transaction was a renewal and there was no break in coverage. However, a number of fines such as this were never questioned and were paid by the carriers.

As you know, the Coverage fine assessment process is an automated process that relies heavily on IT to operate. I have met with IT on numerous occasions to discuss the decrease in coverage fine assessments. At our last meeting on 1/05/2011, IT provided the following system edits that would result in a fine not being assessed:

1. Policy information received within 34 days.
2. If policy is assigned risk and policy information is received with 34 days of latter of policy effective date or date of assignment to carrier.
3. If a transaction is rejected for some other reason.
4. If a duplicate transaction.
5. If a transaction has already been fined.
6. If a new policy replaces a binder.
7. If a transaction occurred before 6/15/2010.
8. If a transaction is for a self-insured.

IT is currently running a report for us to show the impact of reducing the number of days allowed for receipt of policy information from 34 to 31. IT is also to assist Coverage by identifying transactions that were not issued fines in September-November 2010 and we will investigate these further to see if a fine was warranted and not issued by the system.

Coverage and IT will continue to meet to review the late report of coverage fine process and we will report to you as needed.

### Coverage Fines Assessed

	July	August	September	October	November	December	January	February	March	April	May	June	Total	Average
FY2009	\$16,600	\$19,100	\$0	\$48,400	\$26,600	\$12,800	\$62,500	\$56,200	\$34,600	\$52,800	\$59,300	\$57,000	\$445,900	\$37,158
FY2010	\$47,800	\$55,900	\$46,200	\$48,800	\$54,800	\$41,200	\$35,600	\$123,800	\$0	\$0	\$46,200	\$65,200	\$565,500	\$47,125
FY2011	\$18,400	\$19,600	\$4,400	\$7,800	\$13,200	\$11,000							\$74,400	\$12,400

TO: GARY CANNON, EXECUTIVE DIRECTOR  
FROM: GREGORY S. LINE, DIRECTOR OF CLAIMS  
SUBJECT: CLAIMS REPORT FOR THE MONTH OF DECEMBER  
DATE: 01/11/11

Fines assessed for the month of December 2010:

- We assessed **661** fines for the month which was down from assessing **715** fines for the month of November.
- The dollar amount of the fines assessed for the month was **\$134,500** which was down from assessing **\$150,000** for the month of November.

Fines received for the month of December 2010:

- We received payment on **488** fines for the month which was down from receiving **649** fines for the month of November.
- The dollar amount of fines received for the month was **\$103,000** which was down from receiving **\$128,000** for the month of October.

The fines have gone down since July 2010 because it appears the carriers are filing the Form 18's in a more timely fashion –

- July assessed **1,195** fines
- August assessed **699** fines
- September **839** fines
- October **560** fines
- November **715** fines
- December **661** fines

The carriers are getting better at sending the Form 18's in a more timely manner therefore the fines will probably continue to decrease during the next several months.





Fines Collected Years 2007, 2008, 2009, 2010, 2011												
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
2007	21,620	34,891	36,520	35,339	45,785	36,760	46,555	68,018	49,261	58,934	45,203	40,261
2008	48,613	38,805	45,167	34,710	40,525	79,055	67,769	51,195	65,230	59,817	37,309	39,583
2009	37,080	44,750	35,960	49,842	93,182	65,351	100,383	119,853	100,026	66,565	61,627	54,390
2010	66,200	103,600	203,410	159,375	218,150	86,500	147,025	144,825	119,325	120,300	128,000	103,000
2011												
**May collected figures include payments 5/1/2010 through 6/1/2010												
**June collected figure includes payments 6/1/2010 through 6/30/2010**												

**Fine Report for June, July, August, September, October and December 2010**

	June	July	Aug	Sept	Oct	Nov	Dec
Amt assess	175,950	\$245,850	\$147,800	\$170,800	\$114,800	\$150,000	\$134,500
# fines assess	842	1,195	699	839	560	715	661
Amt coll	\$86,500	\$147,025	\$144,825	\$119,325	\$120,300	\$128,000	\$103,000
Fines coll	407	742	722	580	599	649	488

**Form 18's**

Fines assess							
Daily	\$131,4200	\$179,400	\$85,600	\$109,600	\$80,200	\$111,800	\$97,000
Fines assessed							
file review	\$13,800	\$8,600	\$11,800	\$14,600	\$6,000	\$9,000	\$1,800
Total amount							
Assessed	\$145,200	\$188,000	\$97,400	\$124,200	\$86,200	\$120,800	\$98,800

fines assess daily 772 896 428 548 397 554 478

# fines assess  
file review 70 8 12 64 20 7 9

Total fines assessed 842 904 440 612 417 561 487

Amt coll	\$145,200	\$113,500	\$110,500	\$90,800	\$91,500	\$101,350	\$75,100
# coll	686	561	539	429	449	506	342

**All other fines assessed**

**(Form 12-A, Form 15, Form 17, Form 19, denial letter, Form 20, failure to respond)**

Amt assess	\$30,750	\$57,850	\$50,400	\$46,600	\$34,600	\$29,200	\$35,700
# fines assess	156	291	259	227	170	154	174
Amt paid	\$15,000	\$33,525	\$34,325	\$28,525	\$28,800	\$26,650	\$27,900
# coll	84	181	183	153	150	143	146

**Figures collected for June are from June 12 through June 30**



The dollar amount of fines assessed for each form, for the month of December, and fines collected for each form from December 1, 2010 through December 31, 2010  
The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 21,400.00 (107)	\$ 13,200.00 (68)
Form 15 Section I -	\$ 7,600.00 (33)	\$ 5,900.00 (28)
Form 15 Section II -	\$ 2,400.00 (11)	\$ 2,400.00 (12)
Form 15 S -	\$ 2,000.00 (10)	\$ 1,400.00 (7)
Form 17 -	\$ 400.00 (2)	\$ 800.00 (5)
Form 18 -	\$ 98,800.00 (487)	\$ 75,100.00 (342)
Form 19 -	\$ 100.00 (2)	\$ 200.00 (4)
Denial letter -	\$ 1,000.00 (5)	\$ 1,000.00 (5)
Failure to respond -	\$ 800.00 (4)	\$ 2,800.00 (15)
Failure to pay Orig fine	0	\$ 100.00 (1)
Form 20	0	\$ 100.00 (1)
Form 51	0	\$ 0
<b>TOTAL -</b>	<b>\$ 134,500 (661)</b>	<b>\$ 103,000 (488)</b>

TO: Gary M. Cannon, Executive Director  
FROM: Gregory S. Line  
DATE: January 11, 2011  
RE: Claims  
Outstanding Fines Status

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Below is the status of the six groups of carriers with 6 companies that were sent a Second and Final Notice of fines Assessment on July 24, 2009.

1. Insurance Company of North America
  - a. Beginning bal \$ 28,580
  - b. Bal as of 1/11/11 \$ 200
2. AIG
  - a. Beginning bal \$ 56,431
  - b. Bal as of 1/11/11 \$ 2,800
3. Federal Insurance Company
  - a. Beginning bal \$ 4,500
  - b. Bal as of 1/11/11 \$ 600
4. Liberty Mutual Group
  - a. Beginning bal \$ 22,750
  - b. Bal as of 1/11/11 \$ 200
5. Travelers Property & Casualty Company
  - a. Beginning Bal \$ 4,160
  - b. Bal as of 1/11/11 \$ 200
- 6.. American Casualty Co. of Rdg PA
  - a. Beginning Bal \$ 5,160
  - b. Bal as of 1/11/11 \$ 100

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line  
Director of Claims

DATE: January 11 2011

---

RE: Claims  
Outstanding Fines Status

Below is a list of three carriers that were sent a Second and Final Notice of fines Assessment on October 30, 2009

1. Chubb Indemnity Ins. Co.
  - a. Beginning bal \$ 2,086.33
  - b. Bal as of 1/11/11 \$ **1,000.00**
2. Peerless Ins. Co.
  - a. Beginning bal \$ 3,900.00
  - b. Bal as of 1/11/11 \$ **200.00**
3. OneBeacon Ins. Co.
  - a. Beginning bal \$ 3,000.00
  - b. Bal as of 1/11/11 \$ **900.00**

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line  
Director of Claims

DATE: January 11, 2011

RE: Claims  
Outstanding fine status

Below is a list of eleven carriers that were sent a Second and Final Notice of fines Assessment on January 4, 2010.

1. Travelers Casualty & Ins. Co.
  - a. Beginning bal \$ 13,172.66
  - b. Bal as of 1/11/11 \$ 1,600.00
2. State Farm First & Casualty
  - a. Beginning bal \$ 4,000.00
  - b. Bal as of 1/11/11 \$ 600.00
3. Valley Forge Ins. Co.
  - a. Beginning bal \$ 300.00
  - b. Bal as of 1/11/11 \$ 100.00
4. Sentry Select Ins. Co.
  - a. Beginning bal \$ 510.00
  - b. Bal as of 1/11/11 \$ 510.00
5. Sentry Insurance A Mutual Co.
  - a. Beginning bal \$ 7,025.00
  - b. Bal as of 1/11/11 \$ 200.00
6. American States Ins. Co.
  - a. Beginning bal \$ 1,295.00
  - b. Bal as of 1/11/11 \$ 895.00
7. PA Manufacturers Assn. Ins. Co.
  - a. Beginning bal \$ 800.00
  - b. Bal as of 11/11/11 \$ 200.00
8. Farmington Casualty Co.
  - a. Beginning bal \$ 1,200.00
  - b. Bal as of 11/1/11 \$ 400.00
9. Midwest Employers Casualty Co.
  - a. Beginning bal \$ 900.00
  - b. Bal as of 1/11/11 \$ 700.00
10. Rollins, Inc.
  - a. Beginning bal \$ 500.00
  - b. Bal as of 1/11/11 \$ 500.00
11. Premier Group Ins. Co.
  - a. Beginning bal \$ 900.00
  - b. Bal as of 1/11/11 \$ 200.00

# SCWCC Judicial Report



**January 2011**



## Pleadings Assigned

Month	District						
	District 1	District 2	District 3	District 4	District 5	District 6	District 7
Jul-10	93	111	118	169	146	114	140
Aug-10	121	106	113	193	138	109	132
Sep-10	111	85	105	130	115	103	163
Oct-10	99	76	84	157	117	83	130
Nov-10	97	50	122	140	99	98	151
Dec-10	95	81	111	131	88	83	118
Jan-11							
Feb-11							
Mar-11							
Apr-11							
May-11							
Jun-11							
<b>Totals</b>	<b>616</b>	<b>509</b>	<b>653</b>	<b>920</b>	<b>703</b>	<b>590</b>	<b>834</b>
<b>FY 2010-2011</b>							

# Informal Conference & Mediations

Staff	Mileage/Hours	2010												Total				
		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11					
Staff 1	SVM	368.00	332.00	205.00	701.00	25.00	0.00										1631.00	
	PVM	213.00	0.00	172.00	0.00	605.00	470.00											1460.00
	Time	43.00	47.00	69.50	48.00	61.00	48.00											316.50
	Hotel	0.00	115.06	214.67	110.00	0.00	39.00											478.73
Staff 2	SVM	162.00	262.00	0.00	0.00	233.00	562.00											1219.00
	PVM	501.00	320.00	776.00	232.00	200.00	0.00											2029.00
	Time	35.00	51.00	59.00	20.00	26.00	33.00											224.00
	Hotel	0.00	0.00	0.00	0.00	0.00	0.00											0.00
Mediations	SVM	0.00	0.00	0.00	0.00	0.00	0.00											0.00
	PVM	116.00	0.00	0.00	266.00	0.00	0.00											382.00
	Time	33.00	0.00	0.00	13.00	0.00	0.00											46.00
	Hotel	0.00	0.00	0.00	0.00	0.00	0.00											0.00
Staff 3	SVM	192.00	456.00	339.00	0.00	0.00	0.00											987.00
	PVM	4.00	0.00	0.00	0.00	0.00	0.00											4.00
	Time	16.75	49.00	24.15	26.50	0.00	22.00											138.40
	Hotel	0.00	155.26	0.00	110.00	0.00	0.00											265.26
Staff 4	SVM	130.00	182.00	163.00	460.00	746.00	255.00											1936.00
	PVM	0.00	0.00	0.00	0.00	0.00	0.00											0.00
	Time	4.00	24.00	48.45	61.50	128.00	34.50											300.45
	Hotel	0.00	0.00	198.00	65.00	164.25	102.95											530.20
Staff 5	SVM	0.00	0.00	0.00	0.00	0.00	0.00											0.00
	PVM	45.00	92.60	92.60	220.00	0.00	0.00											450.20
	Time	20.45	34.45	25.50	12.00	13.50	0.00											105.90
	Hotel	0.00	0.00	0.00	0.00	0.00	0.00											0.00
Staff 6	SVM	0.00	0.00	0.00	0.00	0.00	0.00											0.00
	PVM	0.00	0.00	0.00	0.00	0.00	0.00											0.00
	Time	0.00	21.00	25.50	0.00	13.50	0.00											60.00
	Hotel	0.00	0.00	0.00	0.00	0.00	0.00											0.00

Totals FY 2010-2011	
SVM = State Vehicle Miles	5773.00
PVM = Personal Vehicle Miles	4325.20
T = Time	1191.25
H = Hotel Cost	1274.19



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## *Workers' Compensation Commission*

### **Executive Director's Report January 18, 2011**

#### **Fines and Assessments Aging Report**

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the period ending December 31, 2010.

#### **Employee Meetings/Staff Training**

The agency All Employee Meeting was held on December 16. Four employees participated in the employee focus group with the Executive Director on December 16. Executive Staff met on December 21 and January 4. The department heads and supervisors annual retreat/training is scheduled for January 28.

The Employee Advisory Committee met with the Executive Director on January 5 to discuss the employee input on the proposed employee dress code policy.

#### **Constituent Services/Public Information**

Since the last Commission meeting the Executive Director's Office had 178 communications with various system constituents. These contacts included telephone communications; electronic contacts with claimants or constituents, state agencies, federal agencies; attorneys, service providers, and business partners; and letters with congressional offices. Chairman Beck and I met with representatives of a stakeholders' group on December 15 and with a representative from Governor Haley's office on December 20.

#### **SC Department of Vocational Rehabilitation**

The Executive Director and Judicial Director met with the Commissioner and key staff of the SC Department of Vocational Rehabilitation on January 6 to discuss a strategy for developing and implementing a plan for referring workers' compensation claimants to their department. The next meeting is scheduled for the week of Feb 2.

Fines and Assessments Aging Report  
Monthly Totals

Summary All Depts.

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Total	\$1,489,356	\$1,398,959	\$1,476,516	\$1,418,489	\$1,416,701	\$1,447,700					
Count	4,982	4,684	4,686	4,460	4,557	4,543					
> 91 Days	\$922,663	\$958,379	\$1,036,625	\$1,029,732	\$1,028,054	\$1,058,690					
Count	2,706	2,991	3,111	3,200	3,116	3,197					
61-90 Days	\$113,563	\$111,665	\$91,009	\$95,493	\$90,455	\$66,292					
Count	552	431	417	256	331	196					
31-60 Days	\$210,132	\$140,749	\$126,743	\$119,771	\$93,672	\$124,975					
Count	687	599	386	450	320	513					
< 30 days	\$240,942	\$188,166	\$222,139	\$173,493	\$204,520	\$197,743					
Count	1,037	663	772	554	790	637					
Of Fines Over 90 Days Old											
Orders	\$5,310	\$4,785	\$4,685	\$3,785	\$3,285	\$3,185					
Count	31	25	24	19	17	16					
Judgments	\$201,174	\$201,174	\$201,174	\$94,248	\$200,714	\$200,714					
Count	537	537	537	483	534	534					

Claims	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Division Total	\$936,013	\$879,038	\$895,763	\$844,993	\$871,303	\$863,803					
Count	4,512	4,231	4,319	4,095	4,174	4,148					
> 91 Days	\$517,963	\$567,113	\$588,563	\$610,393	\$597,403	\$614,353					
Count	2,519	2,768	2,863	2,959	2,874	2,955					
61-90 Days	\$100,350	\$76,950	\$83,050	\$49,050	\$65,500	\$35,100					
Count	487	367	397	227	319	169					
31-60 Days	\$121,200	\$115,775	\$76,850	\$86,900	\$57,500	\$99,400					
Count	567	554	344	429	279	474					
< 30 days	\$196,500	\$119,200	\$147,300	\$98,650	\$150,900	\$114,950					
Count	939	542	715	480	702	550					
Of Fines Over 90 Days Old											
Orders	\$5,310	\$4,785	\$4,685	\$3,785	\$3,285	\$3,185					
Count	31	25	24	19	17	16					
Judgments	\$94,468	\$94,468	\$94,468	\$94,248	\$94,008	\$94,008					
Count	484	484	484	483	481	481					

Compliance	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Division Total	\$471,195	\$435,738	\$478,294	\$488,181	\$468,853	\$510,153					
Count	135	127	137	148	144	156					
> 91 Days	\$382,785	\$359,495	\$365,865	\$355,525	\$377,495	\$394,293					
Count	111	108	110	110	114	115					
61-90 Days	\$370	\$16,940	\$4,400	\$38,588	\$23,448	\$26,370					
Count	1	4	2	7	4	8					
31-60 Days	\$64,675	\$16,715	\$39,588	\$30,178	\$29,150	\$18,960					
Count	12	6	7	7	11	8					
< 30 days	\$23,365	\$42,588	\$68,441	\$63,890	\$38,760	\$70,530					
Count	11	9	18	24	15	25					
Of Fines Over 90 Days Old											
Orders											
Count											
Judgments	\$106,706	\$106,706	\$106,706	\$106,706	\$106,706	\$106,706					
Count	53	53	53	53	53	53					

Coverage	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Division Total	\$63,275	\$57,975	\$75,776	\$57,556	\$50,271	\$47,000					
Count	298	272	161	154	178	176					
> 91 Days	\$13,675	\$21,475	\$65,126	\$46,556	\$32,271	\$28,600					
Count	50	89	107	99	87	83					
61-90 Days	\$12,400	\$11,000	\$3,000	\$1,800	\$400	\$2,800					
Count	62	55	15	9	2	15					
31-60 Days	\$21,000	\$6,900	\$4,250	\$1,400	\$5,000	\$5,200					
Count	105	35	22	7	26	26					
< 30 days	\$16,200	\$18,600	\$3,400	\$7,800	\$12,600	\$10,400					
Count	81	93	17	39	63	52					
Of Fines Over 90 Days Old											
Orders											
Count											
Judgments											
Count											
Judicial											
Division Total	\$18,873	\$26,208	\$26,663	\$27,759	\$26,274	\$26,744					
Count	37	54	69	63	61	63					
> 91 Days	\$8,240	\$10,296	\$17,071	\$17,258	\$20,885	\$21,444					
Count	26	26	31	32	41	44					
61-90 Days	\$443	\$6,775	\$559	\$6,055	\$1,107	\$2,022					
Count	2	5	3	13	6	4					
31-60 Days	\$3,257	\$1,359	\$6,055	\$1,293	\$2,022	\$1,415					
Count	3	4	13	7	4	5					
< 30 days	\$4,877	\$7,778	\$2,998	\$3,153	\$2,260	\$1,863					
Count	6	19	22	11	10	10					

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## *Workers' Compensation Commission*

### Report of the Chairman, T. Scott Beck

#### Proposed Changes to Regulation 67-405 (C) (1) December 23, 2010

Pursuant to Section 1-23-111 of the SC Code of Laws, 1976 the following is a report subsequent to the Public Hearing on November 29, 2010 to receive public comment on the proposed changes to Regulation 67-405 (C) (1). This report includes the findings as to the need and reasonableness of the proposed changes.

#### **Background**

Regulation 67-405C (1) currently requires a thirty day notice prior to termination of a workers' compensation insurance policy. The proposed change provides for an exception to the thirty day notice and allows a ten day notice prior to cancellation of a workers' compensation insurance policy specifically for non-payment of premium or deductible.

#### **The proposed change:**

~~Indicates Matter Striken~~

Indicates New Matter

*67-405-C (1). A workers' compensation insurance carrier shall file a notice of termination in accordance with R67-416. Such termination shall not be effective until thirty days after receipt by the Commission's authorized agent, except when expiration, termination or cancellation as a result of non-payment of premium or non-payment of a deductible shall not be effective until ten days after the receipt by the Commission's authorized agent.*

#### **Notice of Drafting**

The Notice of Drafting regarding this regulation was published in the *State Register* on May 28, 2010. The proposed change, notice of comment period and notice of public hearing (Document No. 4152) was published in the *State Register* on October 22, 2010 (Volume 34, Issue 10).

### **Notice of Public Hearing and Opportunity for Public Comment**

The Commission received written comments on the proposed changes until 5:00 p.m. November 24, 2010. A public hearing was conducted on November 29, 2010 at 10:00 a.m. in Hearing Room A at the South Carolina Workers' Compensation Commission, 1333 Main Street, Columbia, SC 29201.

### **Findings**

The Commission followed the statutory and regulatory requirements to promulgate the proposed change to R67-405C(1).

The request for the proposed change is based upon a reported contradiction between Regulation 67-405C(1) and Section 38-75-730(a)(1) of the SC Code of Laws.

Written and oral testimony provided to the Commission prior to and at the Public Hearing do not support the argument a contradiction exist between R67-405C(1) and Section 38-75-703(a)(1). The language in Section 38-75-703(a)(1) reads

b) Cancellation under item (1) of subsection (a) of this section is not effective unless written notice of cancellation has been delivered or mailed to the insured and the agent of record, if any, **not less than ten days** (emphasis added) prior to the proposed effective date of cancellation.

The statute requires a minimum of ten (10) days notice prior to cancellation. A contradiction between the statute and the regulation would only be present if the Commission's regulations required fewer than ten (10) days notice prior to cancellation.

No substantive statistical or financial data was provided to the Commission prior to and at the Public Hearing to support the current regulation has created or will create in the future a financial burden or harm on the parties required to comply with this regulation.

During the Public Hearing the Commission questioned the parties requesting the change with regard to financial or statistical data supporting the argument the change is needed because of the financial burden the current regulation is placing on the businesses required to comply with the regulation.

Testimony presented at the Public Hearing indicated the proposed change will create a financial and unreasonable burden on the Uninsured Employers Fund. Under the current regulatory language any losses suffered on day eleven (11) through day thirty (30) following the notice of cancellation are the liability of the insurance carrier. The proposed changes will shift the burden of the losses occurring on day eleven (11) through day (30) will be the responsibility of the employer. Should the employer fail, refuse or be unable to pay for the loss it will become the responsibility of the Uninsured Employers Fund. It was argued this may result in an increased cost to the Fund. No financial or statistical data supporting the argument was offered. However, it was proposed this change should not be approved without conducting an economic impact analysis.

**Recommendation**

After reviewing all of the written material submitted and recorded at the public hearing and pursuant to Section 1-23-111 of the SC Code of Laws, I find a lack of need or reasonableness to approving the proposed change in the Regulation 67-405 C (1) and hereby recommend the South Carolina Workers' Compensation Commission, at its next regularly scheduled Business Meeting vote to terminate the promulgation process. Upon such action by the Commission, staff is directed to proceed with the publication of a notice in the *State Register* the promulgation process for this proposed regulation change is terminated.



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T. Scott Beck, Commissioner

**TO: Commissioners**

**FROM: Gary M. Cannon** 

**DATE: January 12, 2011**

**RE: Informal Hearing Cost Assessments**

Regulation 67-804 authorizes the Commission to impose the actual cost of an informal conference on an employer's representative or an attorney for failing to appear at a scheduled informal conference.

*67-804 (H) If the employer's representative or an attorney, if any, fails to appear at the Informal conference, the Commission reschedules the conference. The Commissioner assigned to the claim may impose on the employer's representative or an attorney, if any, the actual costs of the conference as established by the Commission.*

The current informal hearing cost assessment is \$186.33. We are unable to document how this amount was calculated, however, staff working at the Commission during that time reports it was established by Commissioner Marchant sometime between March 1988 and March 1999.

The attached spreadsheet reflects the calculations for the proposed assessment for the cost of an informal hearing. The cost allocation method more accurately reflects the cost associated with processing a claim for an informal hearing. It is the same method used to calculate the assessment cost authorized by regulation R 67-614 for hearings that have been brought, prosecuted or defended on unreasonable grounds.

**Recommendation:** Approve the informal hearing cost assessed under Regulation R 67-804 for FY 2010-11 at \$143.63. The effective date of the new assessment is upon approval by the Commission.



**Informal Conference Cost  
FY 2009-2010**

	<u>Expense</u>	<u>Amount</u>
Line	<b><u>Salaries</u></b>	
1	Commissioners	\$ 129,500
2	Administration	\$ 24,022
3	Claims	\$ 41,493
4	Insurance & Medical	\$ 12,054
5	Judicial	\$ 82,188
6	<b>Total</b>	<b>\$ 289,256</b>
	<b><u>Travel</u></b>	
7	Claims	\$ 1,355
8	Insurance & Medical	\$ 188
9	Judicial	\$ 1,688
10	<b>Total</b>	<b>\$ 3,232</b>
	<b>Other Operating Costs</b>	
11	<b>Total</b>	<b>\$ 217,272</b>
12		
13	<b>Total Expenses</b>	<b>\$ 509,760</b>
14	<b>Informal Conferences Conducted</b>	<b>3,549</b>
15	<b>Cost of an Informal Conference</b>	<b>\$ 143.63</b>

**From:** Johnnie Baxley [mailto:jwbaxley@wjlaw.net]  
**Sent:** Friday, December 17, 2010 10:31 AM  
**To:** Crocker, Virginia; Cannon, Gary  
**Subject:** Direct Deposit

Ginger and Gary:

I hope both of you are doing well.

I received an inquiry from Wal-Mart concerning payment of TTD and TPD to claimants. They are interested in making such payments via direct deposit into a claimant's checking account as opposed to sending checks. This will help increase efficiency, decrease their costs, and eliminate post office delays. They are starting a pilot program in 10 states and would like to try this in South Carolina. However, before they do it, they wanted to know if there were any legal barriers to doing it (I can't find any) and they wanted the approval of the Commission. I am interested in hearing your take on the suggestion. Please also let me know if this is something I would need to raise at a Full Commission business meeting or what other steps might be necessary to get the approval of the Commission to try direct deposit instead of mailing checks.

Thanks.

Johnnie W. Baxley, III  
Willson, Jones, Carter & Baxley, P.A.  
421 Wando Park Blvd., Suite 100  
Mt. Pleasant, SC 29464  
(843) 284-1082

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**Cannon, Gary**

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**From:** Johnnie Baxley [jwbaxley@wjlaw.net]  
**Sent:** Wednesday, January 12, 2011 2:03 PM  
**To:** Cannon, Gary  
**Subject:** Business Meeting  
**Attachments:** Direct Deposit.doc

Gary:

Attached is the literature I have from Wal-Mart concerning their direct deposit program.

Johnnie W. Baxley, III  
Willson, Jones, Carter & Baxley, P.A.  
421 Wando Park Blvd., Suite 100  
Mt. Pleasant, SC 29464  
(843) 284-1082

*This message may be protected by the attorney/client privilege, attorney work product or other privileges. If you received this message in error, please send a reply, delete the message immediately, and do not forward this message to any other person*

Dear Commission:

Claims Management, Inc. (CMI) is seeking to improve its ability for injured Walmart associates to receive their indemnity payments. CMI's goal is to reduce the wait time for injured associates to receive their payments.

In South Carolina, more than 92% of Walmart associates receive their payroll checks by direct deposit. ~~Our objective is to leverage this information and technology to improve our process.~~ Initially, we will offer direct deposit to every injured associate receiving an indemnity payment from CMI. For new accidents, the injured associate will be able to utilize direct deposit within his or her first or second indemnity payment. When the associate is completing his or her initial paperwork at the store level, he or she will be able to enroll or decline direct deposit. Should the associate's banking information change, the associate will contact his or her CMI case manager to update the information. By utilizing direct deposit, the injured associate will receive his or her check in a much more proficient manner.

By utilizing this technology, the injured associate will receive his or her indemnity payment in a more consistent and timely fashion. We look forward to the opportunity to begin serving our injured associates more efficiently.

Sincerely,

Claims Management, Inc.